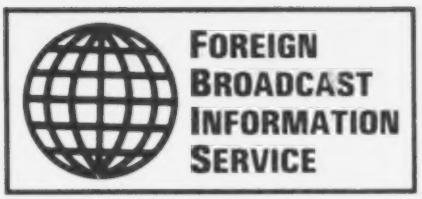

Daily Report

Latin America

FBIS-LAT-88-150
Thursday
4 August 1988

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FBIS-LAT-88-150 *4 August 1988*

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Cuba

Statement Rejects RSA Behavior in Negotiations

FL0308135988 Havana Tele-Rebelde Network in Spanish 1250 GMT 3 Aug 88

[Text] Cuba today strongly rejected South Africa's behavior in negotiations on the southwestern Africa region being held in Geneva. A statement distributed to the press by Alcibiades Hidalgo, spokesman for the Cuban delegation, says South Africa has violated the rules in which these negotiations are taking place.

Before distributing the statement, Hidalgo told reporters that South Africa's behavior violates the negotiations and notes that a proposal presented by South Africa had not been discussed at the quadripartite talks. He added that Cuba and Angola do not agree with the proposal.

The written statement distributed by Cuba notes that yesterday, Pik Botha, foreign minister of South Africa, surprisingly repeated the proposal submitted minutes before by Neil van Heerden, chief of the South African delegation. The document goes on to state that the Angolan and Cuban delegations had not had the chance to respond to a proposal which they considered unacceptable when news agencies were already repeating it in detail from the South African capital, perhaps taking by surprise the mediator in the negotiations, the U.S. Government.

The Cuban statement continues by saying that such behavior, which was obviously premeditated, not only violates the principles in which the previous meetings in London, Cairo, and New York had taken place in order to preserve the always complex aspects of this negotiating process, but also is against the spirit of the agreements reached in New York by the conflicting parties. It adds that none of them should impose on the others its particular opinions without previous discussion and agreement.

The Cuban spokesman stresses in the statement that the South African proposal has not been discussed yet in the Geneva negotiations. It is not acceptable to the Angola-Cuba joint delegation.

It notes that international public opinion should not be deceived. This is not the first time the South African Government has publicly announced a date for the implementation of UN Security Council Resolution No 435, which would put an end to its illegal occupation of the Namibian territory for over 20 years.

The statement stresses that similar promises have been made and broken by Pretoria when it announced that it would grant independence to Namibia on 31 December 1978 or when, in March 1985, it said it would finally respect the will of the international community on 1 August 1985 after giving a 7-month time limit for the withdrawal of Cuban troops from Angola. It adds that South Africa is not making any concessions by establishing a date to implement Resolution No 435, which it has been violating for 10 years, challenging all legal norms and the unanimous view of the international community.

According to the Cuban statement, South Africa cannot establish the date of the withdrawal of internationalist troops defending Angola from the attacks of the Pretoria government. That date will only be established by Angola and Cuba independently when there is an end to threats against the safety and sovereignty of Angola. One of its guarantees is precisely the implementation of Resolution No 435.

The Cuban statement presented by Hidalgo further states that South Africa cannot make Namibia's independence conditional upon the ending of Angolan aid to the African National Congress and cannot ask for restrictions to the activities of SWAPO [South-West African People's Organization], which would turn the Angolan Government into a policeman of the wishes of apartheid. The statement says the South African proposals constitute an untimely attempt to revive the link between Namibia's independence and Cuba's presence in Angola, which was rejected by the essence of these negotiations and also by African and world public opinion.

The statement asserts that the ridiculous offer of combined terms for the withdrawal of Cuban troops from Angolan territory has little to do with the development of the actions in the field of the last few months. If the South African troops have accomplished little in southern Angola, they will accomplish less at the negotiating table with such methods.

It adds that Cuba and Angola reiterate in Geneva their willingness to continue with seriousness and respect for all parties the necessary negotiations to find a just peace for the southwestern Africa area. It notes that we do not aspire to appear as winners in these talks. We will not remain silent before violations of the most basic rules which should be followed.

Angola and Cuba have their own proposals regarding dates on which one or another measure should take place in the process to end hostilities and establish a definite peace, which would mean, in the first place, the independence of Namibia and the end of attacks on Angola, said the document.

It adds: We will not announce them here out of respect for the negotiating process. Angola and Cuba, says the statement, are not an obstacle to the independence of Namibia but are a factor which shows today the aspirations of the entire international public opinion. It says: We will maintain a serious and responsible attitude toward the negotiations. The Cuban-Angolan joint delegation will not be the one to interrupt them. The document ends by saying time will have the last word.

Construction Minister on Problems, Priorities

FL0208180088 Havana Radio Rebelde Network in Spanish 2330 GMT 1 Aug 88

[Interview with Construction Minister Homero Crabb Valdes by "Exclusivo" newscast mobile unit reporter Felix Fernando Garrido at the Construction Ministry offices—live]

[Text] [Garrido] Dear "Exclusivo" listeners, I am at the office of Homero Crabb Valdes, member of the PCC Central Committee and minister of construction in our country. I welcome him and, at the same time, invite him to discuss the activities of the ministry he heads. Good evening, Minister.

[Crabb] Good evening, Garrido, good evening "Exclusivo" listeners.

[Garrido] Minister, it has been said that it is much easier to transform, change, modify, and renovate the physical image of a country such as ours, where socialism is being built, than to develop and achieve a true political awareness in the entire population. However, I believe that changing the appearance of this country in the area of construction has been a difficult task to undertake throughout these last 30 years. Of course, the task has not been spared from problems and difficulties. Comrade Minister, one of these negative topics has been the quality of some completed projects. How has your ministry dealt with this problem?

[Crabb] Garrido, within the framework of the rectification process the construction workers are carrying out—just as the rest of our country's workers are doing—quality is one of the fundamental tasks all of us who are responsible for the construction process are involved in. I would tell you that, basically, we are dealing with improving the quality of our projects through various means.

First, all our brigades, enterprises, delegations, and areas of the Construction Ministry have held discussions and analyses of working methods, construction techniques, and all the processes which, at a certain time, led the construction industry to abandon the mechanisms, the necessary controls to guarantee quality in our projects. This process, which has been incorporated by all our brigades and enterprises, has undoubtedly resulted in awareness on the part of cadres and technicians—and workers also, of course—that the most important thing in construction at this time is to guarantee the quality of projects above everything else.

It is even preferable under certain conditions and circumstances not to do things as fast as we would like to if we have to do them wrong because the project we are going to pass on to our people do not meet the necessary quality and conditions. It is even preferable for the enterprise or brigade to suffer financially. Above all, quality is the motto our country's construction workers should have.

[Garrido] Comrade Minister, a project that does not receive its supplies on time is logically going to be affected in its construction plan. How is the construction material industry supplying the ministry you head?

[Crabb] Great efforts are being made in our country by organizations and, especially, the Construction Materials Ministry, which is the main construction material supplier. We cannot forget that we are in a time of great construction activity. That construction is not only being carried out by the Construction Ministry but also by minibrigades and the rest of the construction organizations throughout the country involved in the development of ambitious plans. The construction material industry and its workers, technicians, and leaders are making an extraordinary effort. Nonetheless, they still have not been able to completely satisfy our needs. Because of this, an ambitious investment plan is being developed which includes about 80 new industries throughout the entire country. They include all kinds of production lines, of blocks, tiles, bricks, and construction materials. All of them are under construction now. They have top priority. Work is being done in these industry investments night and day. Construction workers are the ones who are in charge of this so that we can later have the necessary materials.

[Garrido] Minister, to what extent does the lack of skilled labor or the use of personnel without proper skills affect the quality of projects now and what is the Construction Ministry doing about it?

We have to say that we still do not have all the skilled labor we need to work on these construction projects. It is a process that is being developed simultaneously. We are working very hard on training. The Construction Ministry has some 30 schools where almost 10,000 students are being trained. This is a good example of how we are dealing with this problem. In addition, there are training courses at the project sites where comrades are trained in a number of basic areas of construction. We still have a long way to go but I believe that we are making good progress in training our workers.

[Garrido] Minister, the construction of the Havana Province University project, which is better known as [words indistinct], began some 13 or 14 years ago. No project has been completed there. Some structures need to be demolished because of construction mistakes which represent around half a million pesos. How does the ministry assess this problem?

[Crabb] Actually, we have made a very critical assessment. We have not been the only ones. The top leadership of the revolution has made critical assessments regarding this specific project. We believe that this is one of the projects which requires the biggest effort and the most intensive work by the construction sector in order to erase the negative image this university's students, leaders, and comrade professors have of construction work. I believe that the measures which have been taken... [changes thought] First,

we have to define the construction brigade in charge of the project. It is a recently-created construction brigade which belongs to Havana Province and has all the help and support of our ministry, the province, and organizations. Work is being done in the selection of the personnel who should go to that project, which is a complex project. A program has been prepared aimed at completing the project after defining it's scope together with the Higher Education Ministry. Unquestionably, we have taken the necessary measures to guarantee that the project's problems are resolved and at the same time to sort out the responsibilities with regard to the bad work carried out in previous periods.

[Garrido] Finally, Minister, "Exclusivo" would appreciate any good exclusive news you could give us. Our broadcast is open to you.

[Crabb] Well, it is not easy to speak of a piece of good news. There is much good news. Hard work is being carried out throughout the entire country. We are still influenced by what we have seen in the eastern provinces and especially in Santiago, by the work and effort been made in the heat of the 35th anniversary [of the Moncada Barracks attack]. We can tell the thousands of minibrigade workers, the construction workers in Havana, that one of the problems affecting our projects the most at this time is the production of prefabricated panels and (pairo) tiles. This is something that has been at the center of the difficulties and problems that have limited and affected the development of projects in Havana. It is being directly addressed by our ministry, the provincial delegation, and the workers of prefabricated panel plants, and we are certain that in August, or the first half of September at the latest, we will have an adequate response to the needs of the city's construction workers for these materials.

Cuban Included in Ethiopian-Somali POW Exchange

FL0308125088 Havana Radio Progreso Network in Spanish 1100 GMT 3 Aug 88

[Text] Ethiopia and Somalia have agreed to exchange several hundred prisoners of war. Cuba's Orlando Cardoso is among them. Cardoso has spent 10 of his 31 years in Somali jails. He was wounded and taken prisoner in 1978 as a result of internationalist aid given by our country to Ethiopia to avert a Somali attack.

Rodriguez Meets SELA Official, Discusses Debt

FL0308122888 Havana Tele-Rebelde Network in Spanish 1100 GMT 3 AUG 88

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met with Mr Carlos Perez del Castillo, permanent secretary of SELA, who is in our country on an official visit. They analyzed the Latin American situation, especially the economic crisis affecting the region and the serious foreign indebtedness, among other matters.

Aguirre del Cristo Meets With Swiss Delegation

FL0308182888 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Aug 88

[Text] Severo Aguirre del Cristo, acting president of the National Assembly of the People's Government [ANPP], held a meeting a few moments ago with a Swiss parliamentary delegation. The group of foreigners is headed by Mr (Hans Saiden), member of the Swiss National Council and the Swiss Socialist Party. During the meeting, the members of the Swiss delegation expressed interest in learning about the functioning of the ANPP, its structure, and the daily activities carried out by its deputies.

Severo Aguirre, for his part, expressed the importance for both parliaments of cooperating in a more active manner.

The Swiss delegation will remain in our country (?7) days, during which it will visit science, cultural, and tourist centers.

Customs Detains 'Tourists' for Contraband

FL0208015688 Havana Radio Rebelde Network in Spanish 2316 GMT 1 Aug 88

[Text] "Exclusivo" [newscast] has learned that within the past few hours a stranger, supposedly a tourist, tried to illegally take out of the country large amounts of gold and silver hidden in double wrapping.

The person carrying the contraband was surprised by customs officials and he confessed that he purchased the merchandise with dollars from unknown people. According to reports from the special unit against contraband of the Cuban customs office, the jewelry was confiscated and an investigation is in progress.

It was also reported this afternoon to "Exclusivo" that on 30 July other strangers, also supposedly tourists, tried to introduce into the country a considerable number of articles hidden in various parts of their bodies. The wrongdoers wanted to later sell these items on the black market. Nevertheless, authorities thwarted this action. The suspects are also currently under investigation.

We would like to remind the audience of "Exclusivo" that Cuban customs laws authorize any amount of currency to enter the country as long as it is legally declared. As far as jewelry is concerned, normal quantities of this is considered to be legal as long as it is also previously declared.

Haiti

Foreign Minister on Expanding Third World Ties

FL0308204188 Havana Radio Reloj Network in Spanish 1950 GMT 3 Aug 88

[Text] Without heeding the world-wide rejection it received when it took power, Haiti's military regime wants to expand its relations with African and Latin American countries.

In statements to PRENSA LATINA, Brigadier General Herard Abraham, Haitian foreign minister, said the projected opening toward Africa and Latin America is in response to the need to diversify cooperation which traditionally has focused on the United States and other Western powers.

We want to expand our relations with the Third World to reinforce South-South cooperation. This was one of the surprising statements made by the Haitian foreign minister.

Other sources report that the Haitian military regime in essence wants to break its current isolation which has resulted from the coup that led to the suspension of the country's magna charta and the blocking of the democratic process.

Antoine Meets With Civil Registrars, Justices

FL0208215488 Port-au-Prince Radio Nationale in Creole 1300 GMT 2 Aug 88

[Text] The Justice Ministry, like other ministries, has been quite active recently. Within the framework of the Justice Ministry's program to reorganize justice in Haiti, yesterday morning Brigadier General Fritz Antoine, the minister of justice, met with the civil registrars of Port-au-Prince, Cabaret, Croix des Missions, Croix des Bouquets, Gressier, Carrefour, and Kenscoff. A total of 17 civil registrars responded to the minister's summons.

The minister opened the meeting with an argument in favor of a rectification of the Haitian civil registry. He said it was in need of extensive reform, because it was becoming more and more precarious. He said there had been negligence on the part of the authorities and bad faith on the part of the civil registrars. He said the registers sent to the ministry were of poor quality, not good at all. Most of them had many scratched-out portions; he said they looked awful.

The minister also discussed the drawing up of the documents. He said some civil registrars made people pay a lot. The minister said that at least 2 out of every 10 documents drawn up by the civil registrars required revision because of omissions, serious errors, spelling mistakes, and many other problems. He said there were other irregularities too, such as cases of flagrant negligence in the writing of the texts and spelling errors—especially in names—and the fact that certain civil registrars charge too much to draw up documents, as well as other irregularities.

The minister asked the civil registrars to be highly disciplined as regards their responsibilities so that together they can improve the civil registers here in Haiti.

The Justice Ministry is one of the ministries that has begun to take a lot of action to make it possible to administer the justice to which everyone is entitled in Haiti.

Judicial Assertiveness Urged

FL0308172388 Port-au-Prince Radio Nationale in Creole 1300 GMT 3 Aug 88

[Text] The Justice Ministry is seriously on the move. After receiving several justices of the peace with jurisdictions in Port-au-Prince at the end of last week, yesterday morning Justice Minister Brigadier General Fritz Antoine met with a second group of justices of the peace from Port-au-Prince and its environs. There were 11 of them participating in the meeting. The representative of the Department of the Public Prosecutor before the civil court of Port-au-Prince, Mrs Mireille Zamor Pluviose, also participated in yesterday's meeting.

Justice Minister Antoine particulary emphasized the significance and the scope of this series of meetings he is having with everyone involved in any way in administering justice in Haiti. The minister straight away addressed the way justice is dispensed here in Haiti, especially in certain courts. He reminded everyone at the meeting that their mission is to dispense justice to all who require it; it should be clean, healthy, impartial justice, so that order and peace can at last prevail in Haiti.

At the end of the discussions, the 11 justices of the peace took the floor one after another to state to the minister their complaints and to tell him what problems they encounter in their jurisdictions, such as logistical concerns—lack of means of transportation, lack of office equipment, etc.

The situation of conflict that now exists in Haiti between the civilian and the military authorities was also brought up during this meeting called by the justice minister. According to Mrs Mireille Zamor Pluviose, a certain amount of resistance to judges' rulings is noticed in Port-au-Prince. Gen Fritz Antoine responded that certain justices of the peace in Haiti, because they are not competent, because of their mediocrity, and because they are not serious, are incapable of asserting themselves normally in the face of the obstinate reserve of most of the district commanders in Haiti. Thus the minister asked them to take their tasks more seriously. He also asked them to be very competent, in order that they might assert themselves on their own.

Following a very lively discussion, the minister called on all those present to examine their consciences and make sure that they don't leave prisoners to die in prison, even if the prisoner, if tried, would be found guilty. The minister feels that judges must examine their conscience so that they will not leave a prisoner, who is a person just as they are, to die in prison under awful conditions. The justice minister said it is the duty of judges to have prisoners appear in court. This is a way to improve the image of the court system here in Haiti.

This was a report by Rochnel Charles. The Justice Ministry is one of the ministries that is very much on the ball here in Haiti these days.

Former Senators, Deputies To Form Committee

FL0208205088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 2 Aug 88

[Excerpts] Yesterday former senators and deputies met at Mirebalais City Hall to form a revival committee. [passage omitted]

Here are the details from Mirabeau:

[Reporter] Yesterday, Monday, at the invitation of the communal council of Mirebalais, several civilian and military authorities from different communes came to Mirebalais to attend a meeting at the city hall.

According to a person who participated in that meeting—for not a single reporter was invited—former deputies and senators came together to form a revival committee in Mirebalais. It was reported that this committee is to take the area's problems and present them before the chief of state. This same committee is to form subcommittees in the different rural sections and [words indistinct]. In any case, this is a nice initiative.

Looking ahead, certain observers noted that some of those citizens had accused small peasant farmers of being communists and of getting them thrown into jail, and now here they are once again, making up the revival committee. [passage omitted]

Modelh/PRDH Leader Discusses Party's Plans

FL0308220288 Port-au-Prince Radio Metropole in French 1600 GMT 3 Aug 88

[Excerpts] Yesterday, 2 August, was the first anniversary of the murder of Louis Eugene Athis, leader of the Modelh/PRDH [Democratic Movement for the Liberation of Haiti/Democratic Revolutionary Party of Haiti]. [passage omitted] Several people arrested as part of the investigation, including the section chief of the area, were released. A year later, Athis' murderers are still unknown. Here is the opinion of Mr Francois Latortue, who succeeded Athis at the head of the Modelh/PRDH:

[Begin recording] [Passage omitted] [Reporter] What are the Modelh/PRDH's prospects for the future?

[Latortue] [Passage omitted] Right now the Modelh is directing its activities toward efforts to organize cooperatives; for example, to attempt to set in motion a collective effort with a view to resolving the economic and social problems of communities. A party is not required to limit itself to purely political activities. There are other activities in which many Modelh members, many cells, are engaged. I receive many requests for help, for example in forming a cooperative or a union. It is more or less in that sphere that the party maintains itself and operates, while awaiting different political perspectives. Of course, the party is encountering serious financial difficulties, but, well, that's just the way things are and we have to try to solve them. [passage omitted] [end recording]

MDN's De Ronceray Views Political Situation

FL0308212088 Port-au-Prince Radio Metropole in French 1600 GMT 3 Aug 88

[Excerpts] Mr Hubert de Ronceray, the leader of the MDN [Mobilization for National Development], has returned to Port-au-Prince following a visit to North America that lasted more than 15 days. [passage omitted] Giving his opinion on the political situation in Haiti, Mr de Ronceray said he thought it was confused.

[Begin recording] [Passage omitted] [Reporter] How do you of the MDN see the current political situation?

[De Ronceray] The current political situation seems rather confused to me. Of course, we don't have very precise data on what is being done, or what is going to be done. Nevertheless, we are convinced that one should not turn up one's nose at this phase of acknowledgement, if I may put it that way, because the shocks the country has suffered during the past few months must be absorbed. To a certain extent, I think that all the nation's sectors are catching their wind in order to be able to relaunch the democratic machine.

I for my part would of course have liked things to go much faster, but one cannot always impose one's preferred pace on the life of a nation. Rather, one must accept the pace that the country can tolerate. I think that the situation will of necessity have to result in the change that all of us desire; that is, in free elections, in the choice of a representative government, and, finally, in the country's economic and social takeoff. [end recording] [passage omitted]

Veterans Group Favors National Dialogue Call

FL0308211188 Port-au-Prince Radio Haiti-Inter in Creole 1600 GMT 3 Aug 88

[Text] The Haitian Veteran Servicemen's Association [AVMH] says that it favors the establishment of a national dialogue to resolve the country's problems.

Several different political sectors have been talking about such a dialogue for a while now, and on 28 July MIDH [Movement for the Establishment of Democracy in Haiti] President Marc Bazin made a long speech on this matter of a dialogue.

The AVMH did not mention Mr Bazin's speech, but they used the same terms employed by the MIDH leader, such as a national dialogue, sitting down and talking, a national consensus in order to bring jobs to Haiti, and putting an end to the problem of insecurity.

The AVMH, which says it has 1,800 members throughout Haiti, declares, and we quote: We, the AVMH, upon seeing the problems in Haiti—the high cost of living, unemployment, insecurity, injustice—wonder how far this will go. We would think that it is through a frank national dialogue that we might manage to pull the

country out of the bad situation it has been in since 1804—a national dialogue, a national debate to arrive at a national agreement, so that we can create jobs in the country, settle the problem of insecurity, and resolve the problems of the institutions.

This was a press release from the AVMH dated 2 August 1988.

Former Macoutes Threaten Bellance Population

FL0208214088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 2 Aug 88

[Text] The population of Bellance is crying out loudly to inform public opinion of the misfortune hanging over their heads and threatening to put them in the same position as that of the small peasant farmers of Jean-Rabel in July of last year. They say the former macoutes have returned to the area and are making all kinds of threats against the population.

In a press release they issued, they say: As of last week, all the big macoutes who used to live in the area and who for a period of time were not here have returned. What are they doing? They are holding meetings every night to plan what they can do to avenge themselves on the people, because they are now back in power.

What final solution have they come up with? They are organizing a massacre like the one in Jean-Rabel. They are planning to arrest, beat, and kill members of the small grassroots parishes and members of the agricultural workers unions, the people who participated in the demonstrations of 1986 and 1987. They are planning to surround their houses at night and make them disappear so that their wives will not know what happened to them. Also, they have sworn that this absolutely must be done. The reason it has not yet been done is because in our administrative district there are true patriots who preach morality, unity, and cooperation for a tranquil Haiti.

For this reason, the macoutes have reached another decision. They say they are going to get macoutes from Croix des Bouquets and Fond Verrettes to help them carry out this operation.

So now what has happened to the peasants and the young people? They have had to take to the woods. It is time for them to plant their fields but they cannot go do their work. The macoutes are watching for them and they are watching their homes so that they can catch them and eliminate them.

We ask the population to be very vigilant and prudent as regards this big misfortune hanging over their heads, and if the people who are responsible for providing security for the lives and property of people in Haiti do not take appropriate measures to prevent these criminal acts from being committed, there will most certainly be a massacre this week.

The population of Bellance says that the members of the security forces must take measures to prevent these criminal acts from being committed in the area. They add that this constitutes a shame for Haiti because people cannot live in peace.

They conclude by saying that they are informing national public opinion of all these acts by the macoutes aimed at neutralizing everyone who is struggling for true democracy in Bellance.

Several people signed this press release in protest against the threats the population is receiving from the macoutes in the Bellance area.

It is not only in the Bellance area that this is occurring. For its part, the workers union in Toquette, which is in Savane Carree, is protesting against the magistrate in Ennery. They say the magistrate of Ennery is trampling upon the rights of the peasants to assemble. The peasants cannot assemble to reflect upon their situation.

In a press release issued today, they say: We the members of the workers union in Toquette protest most energetically against all the things the magistrate in Ennery is doing to try to muzzle the peasants who would like to organize. We are not allowed to hold meetings. We know the country's Constitution gives us the right to organize. The magistrate says that only a community council may be formed, and that aside from this, if any organization keeps the country from functioning, the government will stop it. That is why we are protesting vigorously. We feel that our lives are threatened. We protest all the acts of force committed by the macoutes in Saint Michel [de l'Atalaye] and Gros Morne.

We the union in Toquette say: No, they will not get away with this!

We ask all union centrals to stand their ground, because together we are strong.

Long live freedom of speech! Long live the freedom to form unions! Down with all underhanded wheelings and dealings!

Peasants Complain About Rural Section Chiefs

FL0308181288 [Editorial Report] A number of complaints from peasants about section chiefs in the rural areas have been reported by Port-au-Prince Radio Soleil Network, the church-owned station, during the past week.

Radio Soleil in Creole at 1100 GMT on 28 July carries a report by its Mirebalais correspondent, Mirabeau Louis, concerning a demonstration by small peasant farmers in (Petit Montage), part of the Boucan Carre commune, against the area's new section chief, Mr Moliere Pierre. According to the report, the peasants say that they do not know Mr Pierre and therefore "they will not accept him as section chief."

The same station reports at 1100 GMT on 1 August that the peasants of (Layaye), Savannette commune, "are complaining vigorously about the acts of repression" committed by section chief Anthony Thermilus. According to Mirebalais correspondent Louis, when peasants bring their problems to Thermilus, the section chief treats them roughly and demands money so he "can recover his investment." Louis cites the case of a certain Elison Amilcar, who was beaten so badly there was blood in the Savannette Barracks.

Another report on Radio Soleil in Creole at 1100 GMT on 2 August has Gonaives correspondent Jean Bouchereau Joseph describing the situation in Ti Desdunes, where the people are also having problems with the area section chief, named Telemaque. Joseph reports that "yesterday morning more than 50 peasants traveled from Ti Desdunes to ask for help at the Toussaint Louverture Barracks in Gonaives because of their troubles at the hands of the town's section chief." The report includes a brief recording of an unidentified speaker who states that a drunk Telemaque had gone on a shooting spree the previous Friday, accidentally shooting himself in the foot and blaming the peasants for it. According to the speaker, the area residents have fled their homes because of the situation in Ti Desdunes.

Special Baccalaureate Registration Ends

FL0208220088 Port-au-Prince Radio Nationale in Creole 1300 GMT 2 Aug 88

[Excerpt] Registration for baccalaureate candidates who did not take the 1986-87 exams ended Friday, 29 July, in the capital and the provinces. Contrary to the figures given by certain education sector organizations, according to the Ministry of Education, 8,825 students—not 16,000 as claimed by certain organizations—were to have participated in the special Philo Class level examination that, under an agreement signed last 26 February between certain education sector organizations and the Ministry of Education, was to have been held in mid-October. The agreement in question was eliminated by the new Education Ministry authorities.

According to (Pierre Andre Anelas), director general of secondary education, more than 5,695 of the 8,825 students have already registered to participate in the special September session of the baccalaureate exam. [passage omitted]

Trinidad and Tobago

Opposition Protests U.S. Bank Shares Purchase

FL0308235788 Bridetown CANA in English 1754 GMT 29 Jul 88

[Text] Port-of-Spain, Trinidad, July 29, CANA—The opposition Peoples National Movement (PNM) on Friday criticised the Trinidad and Tobago Government's approval for America's biggest bank to buy shares in a bank here.

Opposition financial spokesman, Senator Kenneth Valley, said in a statement that the decision was a "serious exception" to existing government policy on majority local control of the financial sector here.

Trinidad and Tobago's smallest bank, United, last week announced that its majority shareholder, Citibank of America, had received government approval to seek the remaining 29.9 per cent of the shares.

Valley pointed to government's policy since the 1960's of ensuring majority local ownership in the financial sector. Stating that the policy had been successful, Valley said that Prime Minister A.N.R. Robinson had also seemed to accept the desirability of the policy which he originally helped to form, when he spoke in praise of economic independence and control of the financial sector last month.

"The government should inform the national community whether this exception marks a break with existing policy or, alternately, the basis for granting this existing policy or alternatively, the basis for granting this exception," valley said.

"It is worth noting that business confidence in the economy is compromised whenever there does not exist a certain degree of certainty with respect to government action on critical issues."

He added: "In the circumstances of recent conflicting signals from the government, therefore, the minister of finance and the economy should clarify his government's policy on the question of foreign ownership of financial institutions."

Government officials last week told CANA that the move was not being seen as a turnabout in government policy since the financial situation had changed in the country and since government now believed it could still control the economy without such financial ownership. Government officials have pointed out that the former Peoples National Movement government, in the final days of its administration, opened up the financial sector by allowing wholly foreign-owned merchant banking here.

If Citibank is successful in its bid, United Bank will become Trinidad's first totally foreign-owned bank in over a decade.

Costa Rica

Madrigal on Shultz, Foreign Ministers Meetings

PA0408003888 San Jose Radio Impacto in Spanish 1840 GMT 3 Aug 88

[Report by Mario Carmona on statements by Foreign Minister Rodrigo Madrigal Nieto at the Presidential House in San Jose on 3 August]

[Text] Foreign Minister Rodrigo Madrigal Nieto has said that Costa Rica never pledged to the United States that it would sign a document condemning Nicaragua's actions:

[Begin Madrigal recording] It was a document that included some strong words about Nicaragua and other issues. Why? Because we followed the procedures normally observed in sessions of that kind. In the first phase of the meeting, all interested parties drafted into the document what they thought should be included. In other words, during the first phase, we worked on the document's first draft. Then the draft document was distributed among working groups that reviewed, polished, and revised it.

The document was not prepared by the United States; it was prepared by the Foreign Ministry delegations. We sent two people to Guatemala City, and they worked on behalf of the Costa Rican Foreign Ministry. [Words indistinct] worked hard and heard everyone's opinion. Therefore, the first draft included various opinions and was possibly written in stronger language than were subsequent documents, because more than two drafts were prepared. Three or four drafts were prepared as the document was polished. [end recording]

Madrigal Nieto added that he was the only Central American foreign minister who had the chance to meet privately with Secretary of State Shultz, 30 minutes before the foreign ministers' meeting began. They discussed international and Central American politics in general. Foreign Minister Madrigal Nieto said that he believes that the United States will continue to support the Nicaraguan contras but has displayed a more pronounced diplomatic initiative because this was requested by the foreign ministers.

The Costa Rican foreign minister emphasized that it was useless to attend the diplomatic meeting only to confront Nicaragua with strong language, because that is a matter for the Verification and Follow-Up Commission and the presidential summit to handle; it was not the goal sought by the foreign ministers meeting in Guatemala City. Madrigal Nieto also said that he does not foresee improved diplomatic relations between the United States and Nicaragua, because Nicaragua has not seriously attempted to institute democracy.

Briefs

Currency Devaluation

Yesterday the Board of Directors of the Central Bank approved the 11th devaluation of 1988. The devaluation was 30 centimos in relation to the dollar. From today, the official exchange rate will be 77.10 colones for selling and 76.10 for buying the dollar. Previously, the exchage rate was 76.80 colones for selling and 75.80 for buying. That lasted 2 weeks. [Text] [*PA2907233688 San Jose Radio Reloj in Spanish 1200 GMT 29 Jul 88*]

Guatemala

Cerezo Announces New Economic Measures

PA0408032488 Guatemala City EL GRAFICO in Spanish 3 Aug 88 p 11

[Text] Guatemala City, 3 August—President Vinicio Cerezo announced basic minimum wage revisions on a national media network last night. He also reported related measures to control cost of living increases and thereby to strengthen consumers' purchasing power.

Among other things, President Cerezo said that the measures were intended to improve Guatemalan purchasing power and to avoid price speculation.

He added that the government will create new jobs in the private and public sectors. In the public sector, 12 large projects will soon begin and will provide immediate employment opportunities. The president said that the government is encouraging the producing sector to improve the volume of production and to employ more people. President Cerezo added that a minimum wage increase might be proposed in Congress soon if the producing sector's profits increase as a result of greater productivity. Such a proposal could be made by asking the relevant congressional committees to make basic minimum wage revisions.

The president said that the labor sector should work with the government to establish a basic and realistic minimum wage.

Cerezo presented a plan to increase production and to allow the private sector to make the necessary profits to enable them to afford greater employee benefits.

The president said that controls will be implemented to ensure that consumers do not suffer unacceptable price increases. He also reported that the Finance Ministry will be reorganized.

President Cerezo agreed that, once organized, a consumer's league could be an important instrument to facilitate permanent communication between businessmen and consumers.

The president reiterated that differences among sectors must always be resolved through dialogue and not by taking harmful measures that jeopardize judicious and prompt decisionmaking.

He stressed the importance of the National Confederation of Guatemalan Workers' request for a dialogue through the National Reconciliation Commission and said that all national sectors must participate in the dialogue.

Cerezo also announced that measures are being taken to ensure that rural transporatation rates are not raised excessively.

In general, the president said that for the country to progress in the democratization process, all sectors in the country should present feasible alternatives to resolve existing problems.

Nicaragua

D'Escoto Protest to Shultz Over Boat Attack

PA0408035788 Managua Domestic Service in Spanish 0258 GMT 4 Aug 88

["Text" of protest note sent by Foreign Minister Miguel D'Escoto Brockman to U.S. Secretary of State George Shultz—date not given]

[Text] Mr Secretary of State:

Once again your visit to Central America has served to heighten the war and the state terrorism practiced by your country against Nicaragua and even against U.S. citizens who are visiting Nicaragua. This is done in open violation of the guidelines and principles of international law.

On 2 August, only hours after your visit to the region, paid assassins directed by the [U.S.] Government attacked a passenger boat in the area of Magnolia, 20 km east of El Rama. The boat, known as "Mission for Peace," was sailing along the Escondido River and carried approximately 200 passengers. As a result of this cowardly action, two people, Maria Poveda and Jose Valverde, were murdered and 25 others, including many children, were injured. Ten members of the Interdenominational Foundation for Community Organization [Fundacion Interreligiosa para la Organizacion Communitaria] were also traveling in the boat. Lucius Walker, a Baptist minister and U.S. citizen, was also injured during the attack.

Mr Shultz, are you not ashamed? The United States, a great power, not satisfied with directing the genocide against the Nicaraguan people, now directs its deadly bullets against U.S. religious men.

The Nicaraguan Government formally and strongly protests this treacherous attack, which is a direct result of the bloody policy of death, terror, and destruction that for the past 8 years has been systematically practiced by your government against the Nicaraguan people. It is not by chance that this attack coincides with your government's refusal to go before the International Court of Justice [ICJ] to answer charges presented by my country. On 1 August, the ICJ advised us of your decision. In this way, the U.S. Government confirms its status as a criminal state and its determination to remain outside the law, supported by the arrogance and irrationality of one who chooses force over civilized and respectful coexistence. This type of action is more than a violation of the cease-fire because the target is strictly civilian. Therefore, this is an act of straightforward terrorism that proves how far your government's disregard for international law can go.

It seems useless to ask your government to think about the need to respect international law and to commit itself to the peace efforts being made within the framework of Esquipulas II and Sapoa. I will simply remind you that my government is strongly convinced that ultimately the law will triumph over the state terrorism and all the crimes sponsored by your government. Your government's acts of terrorism will not stop Nicaragua from defending its right to self-determination and independence.

Sincerely yours,

[Signed] Miguel D'Escoto Brockman
Nicaraguan Foreign Minister

Ministry Names Dead, Injured

PA0308213188 Managua Domestic Service in Spanish 1817 GMT 3 Aug 88

[Excerpt] In an exclusive report for this station, at approximately 1000 this morning the Nicaraguan Defense Ministry listed the names of the people killed or injured during an ambush. The ambush was carried out on 2 August by contra mercenaries against a private boat. These contras are loyal to the warmongering policies of former Somozist Colonel Enrique Bermudez. The peace boat was transporting passengers between El Rama and Bluefields.

The names of the murdered civilians are: Maria Poveda and Jose Valverde. The injured are: U.S. citizen Lucius Walker, Italian Machaelo Incaglio Destes, Costa Rican Jose Valverde, Deputy Lieutenant Carlos Mayorga, Carlos Gutierrez, Amil Huete, Mateo Simon, Maribel Mena, Rosalio Sambrana, Alba Luz Sambrana, Sebastian Garcia, Jose Garcia, Mercedes Castillo, Ramon Garcia, Maru Castillo, Jose Tellez, Andres A. Mora, Marvin Taleno, Ceferino Espinosa, Bernardo Augusto Leal, Epifanio Delgadillo, Marta Garcia, Gonzalo Mendoza, and Carlos Ramirez.

The injured civilians were taken to the Juigalpa Hospital, where they are receiving medical attention. This afternoon they will make statements. We hope our correspondent there, Julio Aragon, will report their remarks. We now have information from our colleague Roberto Gonzalez:

[Gonzalez] At 1100, the 10 U.S. citizens belonging to the Interdenominational Foundation for Community Organization, who were aboard the boat attacked by the contras, gave a detailed news conference. Attending were a large number of foreign and local newsmen. Lucius Walker, a black citizen and among those injured, belonged to this foundation. He was aboard the boat attacked by the contras. He said that his president, the U.S. President, was a murderer. He said: Reagan is a murderer. Later Walker added that in his country he will formally accuse U.S. President Reagan of attempted murder. He talked about the solidarity of all people on board the boat with the U.S. citizens. Most of the 200 Nicaraguans aboard the boat were unconcerned about their own safety and protected the U.S. citizens with their bodies. The shots came from a river bank. The boat was going to El Rama.

Three or four members of the delegation said they were enraged by the terrorist action carried out by the government which is financing this dirty war against the Nicaraguan people. [They said] we support the heroism of the Nicaraguan people; we are opposed to our country's terrorism. Here is a statement read by one of the U.S. citizens. Her Spanish is very good. [passage omitted]

Ministry Denies Permission for Workers March

PA0408034788 Managua Radio Sandino in Spanish 1930 GMT 3 Aug 88

[Text] The Nicaraguan Interior Ministry has denied permission for a workers march to be held in Managua on Sunday, 7 August. The request had been made by a trade union that wanted the march to coincide with the 1st anniversary of the Esquipulas agreements. The union wanted to demand that the government comply with these agreements. The march was to be called the March Against Hunger.

The Interior Ministry said it is not advisable to grant permission for the march because irresponsible people disrupted public order during recent events. The Interior Ministry's resolution is also based on a 1924 law that authorizes government officials to grant or deny permission for political marches.

'The Awakening' Newscast Director Files Appeal

PA0408022588 Managua Radio Corporacion in Spanish 1200 GMT 3 Aug 88

[Text] "The Awakening" [Managua Radio Noticias' "El Despertar" newscast] director Freddy Rostran presented a new appeal to the Interior Ministry's Media Directorate. "The Awakening" newscast has been suspended for the past 18 days. Sixteen days have passed since the [first] appeal was filed and the Media Directorate has not yet responded.

The following is the appeal submitted by Freddy Rostran to the Interior Ministry's Media Directorate:

Managua 2 Aug 1988

1st Lieutenant Lissette Torres Morales
Head of the Interior Ministry's Media Directorate

I, Freddy Rostran Arauz, who submitted an appeal against the resolution issued by your directorate ordering the indefinite suspension of the "The Awakening" newscast, have come to you to express the following:

Fifteen days have passed since I submitted to you the aforementioned appeal and, thus far, you have issued no response. Your duty is to accept or reject this appeal, which in the latter case would give us the opportunity to take our appeal to the appropriate higher authority. Your silence, however, continues to hinder "The Awakening" newscast and limits Nicaraguans' right to enjoy freedom of expression. Your silence violates legal provisions regarding appeals, particularly provisions contained in Article 131 of our Constitution, which were adopted to establish peace and to inspire the public's confidence in government officials who represent public order and the sanctity of citizens' rights.

These provisions include one that states that public officials are accountable to the people for the proper performance of their duties. These officials should listen to the people, pay attention to their problems, and try to resolve them. With this letter, I confirm to you what I said before, that the closure of "The Awakening" newscast is an unjust measure because the newscast reports termed false by the Media Directorate were merely part of the public debates held at the OAS on 14 July. The newscast, following established guidelines of professional journalism, aired the arguments of the Nicaraguan and U.S. ambassadors, who were the main speakers during those debates.

The newscast aired exactly what the two ambassadors said, disregarding whether the remarks were true or false. Finally, I confirm that those debates, in which the Nandaime events, the death of citizen Carlos Garcia, and other national events were referred to, were recorded by Radio Sandino and aired with Radio Sandino's station identification. Consequently, the sanction applied to "The Awakening" should also be applied to Radio Sandino, in compliance with Article 27 of the Constitution, which states that everyone is equal before the law and entitled to the same protection. There shall be no discrimination by reason of birth, nationality, political views, race, sex, language, religion, opinions, origin, or economic and social status.

Any notification should be addressed to "The Awakening," Ciudad Jardin S-24, to the office of this newscast's legal advisor, Julio Centeno Gomez, which is located at Reparto Pancasan.

Managua, 2 August 1988

[Signed] Freddy Rostran Arauz
Director, "The Awakening" newscast

Briefs

Embassy Budgets Reduced

The Nicaraguan Foreign Ministry has informed its 42 ambassadors that an additional 30-percent cutback in their budgets will be added to the 20-percent reduction ordered by the government earlier this year. [Summary] [*PA0408034088 Managua BARRICADA in Spanish 3 Aug 88 p 5*]

Panama

Three U.S. Soldiers Detained in Colon

PA0308234788 Panama City Televisora Nacional in Spanish 2320 GMT 3 Aug 88

[Text] Today Colon Province traffic policemen detained three U.S. soldiers who were on their way to the Free Zone to get some photographic material. The U.S. soldiers, traveling in a U.S. Army van, said they were following orders. The detained U.S. soldiers are Sergeant Jorge Dacosta, David Mendy, and Mark Record, members of the U.S. Army Medical Activity, Gorgas Hospital.

The traffic policemen said the three soldiers refused to pay attention to orders and tried to escape. They were arrested when they arrived at the Colon Free Zone checkpoint.

The Defense Forces in Colon are investigating the incident and will issue a strong protest, through the Combined Board, for what they consider to be another violation of our territorial integrity.

Opposition on Possible Dialogue With Government

PA0308235788 [Editorial Report] Panama City Circuito RPC Television in Spanish at 2300 GMT on 2 August carries an approximately 20-minute report of recorded statements by opposition leaders on the possibility of a dialogue or rapprochement between the opposition and the government. No date or place is given for the remarks, which were made in the wake of a meeting held at Panama City's Marriott Hotel the previous week, at which such a government-opposition dialogue was proposed.

Guillermo Endara, assistant secretary general of the Authentic Panamenist Party, says: "Actually, the possibility of a dialogue is very remote, because for a fruitful dialogue to take place, the Panama Defense Forces or the National Guard must agree to return to their appropriate role: the role of professionals subject to civilian authorities elected by the people. As long as military authorities refuse to limit themselves to the function assigned to them under the Constitution, there can be no true national dialogue."

Endara adds that the fact that freedom of the press and other freedoms are being curtailed also make it impossible for there to be a national dialogue.

In response to a reporter's contention that many businessmen would like a dialogue to take place, if only to reactivate the economy and to stop the upsurge of unemployment, Endara replies: "I believe that those same people realize that any solution to the economic problem first requires a solution to the political problem."

Asked about his party's opinion of the new Electoral Code, Endara says: "We simply see no importance in the Electoral Code because it will not determine whether the elections will be honest or fraudulent. Under the present system, clean elections cannot be held."

For his part, Alfredo Ramirez, president of the Nationalist Liberal Republic Movement, reports that a week before, opposition parties had been approached by Samuel Lewis Galindo, president of the Democratic Independent Movement, and Guillermo Chapman, a prominent economist, about the possibility of holding talks with government officials, without preconditions. Ramirez says that the unanimous feeling of those present was that no such talks could begin until the regime reinstates the civil liberties that have been curtailed; "until there is freedom of expression and assembly, respect for the privacy of people's homes, return of political exiles, and release of the people who have been arrested," "there can be no such exploration or talks or dialogue between the government and the democratic opposition forces." He adds that nothing more has been done and that no dialogue has been initiated.

Asked if this does not reflect intransigence on the part of the opposition, Ramirez states: "I believe that we all desire a peaceful resolution of the problems burdening the nation, but I believe that the first step has to be taken by the regime, which has the power to return tranquillity to the country by reinstating the rights that have been curtailed."

Jose Raul Molino, coordinator of the National Civic Crusade, also comments on the possibility of a dialogue. He says that the minimal conditions that his movement demands for holding talks with the government is for there to be a "climate of freedom and respect for our rights that have been denied by the present regime." He adds that these are not preconditions, but personal rights.

Molino describes the Marriot Hotel meeting as "an informative meeting in which government representatives were informed of the political views of the opposition and the Civic Crusade with regard to the dialogue. No subsequent meeting was proposed at all."

On the same subject, Panamanian businessman Samuel Lewis Galindo says that the preparations for a national dialogue are only at the preliminary stage.

When asked whether the government's decision to participate in a meeting with opposition sectors could be interpreted as a willingness to resolve current problems, Lewis Galindo asserted: "I believe that both the government and opposition representatives are aware that a prompt, political agreement is vital because our country is being destroyed."

Attempted Intimidation of Protesters Reported
PA0308161788 Panama City Radio Noticias in Spanish 1200 GMT 3 Aug 88

["Radio Analysis: Two Generations" program with Alberto Quiros Guardia and Alberto Quiros Jaen]

[Excerpts] [Quiros Guardia] We have received many calls regarding incidents on 50th Street. The callers want to know if people were beaten or arrested. I understand you said there were no arrests?

[Quiros Jaen] I learned that paramilitary forces went to 50th Street in private cars. Some were in black vans. The people know about these vans. This time, the paramilitary forces were unarmed. They tried to intimidate people, especially the women, who were standing on the sidewalk near the Dante store. These men shoved some women to intimidate them. They snatched one woman's purse and tossed it into a car. They then told her to go and get it. She replied: No. There is no telling where you would take me. You are not even policemen and cannot be held accountable. Unfortunately, that is how the state's repressive apparatus works.

When [the paramilitary forces] were distracted at one point, the woman grabbed her purse and ran for her life. These men are not so tough when they are unarmed. In an area down the street from the Dante store—near the Commerce Bank—there were no arrests. No one was severely beaten. The problem is that it is still impossible for people to gather in Panama .

[Quiros Guardia] That is a constitutional right.

[Quiros Jaen] The UN Human Rights Proclamation and our Constitution guarantee that freedom. Once again in Panama, people are deprived of this right. Meanwhile, the government is talking of elections and dialogue, yet it does not allow women to protest. [passage omitted]

[Quiros Guardia] Here is a telephone report by lawyer Jose Manuel Faundes:

[Faundes] Yesterday the Panamanian Human Rights Commission was informed that Gabriel Miro was arrested. He is the son of Ruben Miro Guardia, who was murdered many years ago. His murder was never investigated. With all due respect to Msgr Jose Luis Lacunza [a guest on the program], there cannot be a dialogue in the country as long as the persecution continues. Panamanians, there cannot be a dialogue. There is talk of dialogue, yet when someone goes out on a peaceful demonstration, he is repressed. How can there be a dialogue? No political party or group or the National Civic Crusade can participate in a dialogue.

I am saying this with all due respect, without offending, libeling, or slandering anyone. I am a Panamanian. Panamanian women Angelica de Guinard and Astrid de Vasquez, who were on the program yesterday, also said a dialogue is impossible. With all the respect and good faith conferred upon it by the Gospels, and with all the the human principles with which it is imbued, the Catholic Church has been unable to arrange the dialogue. As Msgr Lacunza has said, the church has been shown disrespect and slandered by the government-controlled media. What Panamanian—for God's sake, as God is my protector and protector of all us Catholics—can believe in a dialogue like this? The government speaks of dialogue in the morning, and in the afternoon it is repressing and unfairly arresting people who protest or wave a handkerchief to indicate they want peace, coexistence among Panamanians, justice, and liberty. Where are we heading?

That is the news I wanted to report. There is word of other arrests, but the Panamanian Human Rights Commission has not received any official information. [passage omitted]

Bail Set for Journalist Homero Londono
PA0408044988 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Aug 88

[Report on statement by Alberto Conte, president of the National Association of Journalists; date and place not given]

[Text] Bail for journalist Homero Londono was set yesterday by Judge Mitzila Hernandez de Rojas. Londono was arrested on 22 July by Attorney General's Office officials and charged with crimes against the state. Yesterday afternoon lawyer Rogelio Cruz and Alberto Conte, president of the National Association of Journalists, posted bail set at 8,000 balboas.

[Begin Conte recording] All legal requirements have been met to obtain his freedom and yet a series of excuses were used to not release him yesterday. Subsequently, his lawyer submitted another writ of habeas corpus, this time against the director of the Model Jail to demand his release.

It is deplorable that this should happen, because this casts doubt on the responsibility with which the law is applied to individuals. The law should give some security and peace to Panamanians, which is what they want. This attitude or even inefficiency always places the responsible functioning of the judicial system in doubt.

Bail was set at 8,000 balboas. It was appealed by the government attorney and reaffirmed by the judge. It is a large amount and covers the accusation of the three

crimes, that is, committing a crime against state security, state integrity, and the one that worries us the most in our profession: the practice of journalism without credentials. The National Association of Journalists took charge and posted the bail required. [end recording]

Arrest Viewed

PA0308234988 Panama City Radio Verbo in Spanish 1225 GMT 3 Aug 88

[Commentary by Julio Ortega, radio commentator and Televisora Nacional news director—live]

[Excerpts] Do you recall that I told you that poor Homero Londono would be abandoned, that he has been used? We already know he is not a journalist, he is just a radio announcer, but he is not legally registered as a journalist. He does not have a license issued by the Government and Justice Ministry. [passage omitted]

Last night, as I was about to leave [Televisora Nacional] Channel 2, I received an editorial sent by USIS that reads: False Arrest in Panama—VOA editorial. I noticed that the U.S. Embassy facsimile copy did not say who had sent it. That is interesting because, as you know, all facsimile copies bear a date, hour, page number, and the sender's name. [passage omitted]

We want to analyze this editorial carefully because it shows that Reagan's policy is very haphazard not only with regard to international, bilateral, hemispheric, and Latin American issues, but also with regard to individuals, to people. Reagan has certainly done a lot of harm to Americans! [passage omitted]

I think it is outrageous for the VOA to claim that the charges against Londono are false. What evidence does the VOA have to that effect? The judiciary authorities are conducting an investigation. How does the VOA know that these charges are false? The Reagan administration claims that this is a flagrant attempt to frighten independent journalists away from Panama and to suppress the truth. Are they saying that the truth should come from the VOA? [passage omitted]

I think the VOA is not helping poor Londono at all with this editorial. This editorial actually hurts him because this editorial confirms that he was illegally working for the VOA. [passage omitted] Londono is a victim of those who have used him, paid for his services, and now they hurt him with this defense.

The editorial concludes by saying that General Noriega's government—like all totalitarian regimes—is trying to intimidate the independent press, that this type of abuse should come to an end, and that journalist Homero Londono should be released.

Because of this editorial, Londono will actually have to stay longer in jail, because the VOA has confirmed in the editorial that it has broadcast to the world that Londono worked for the VOA. According to official reports, Londono is unqualified for this position. Some defense. Poor Londono; I sincerely think he is a great guy. He worked, he was in the news for a while, he earned a little, but he has lost in the end. [passage omitted]

Argentina

Government Announces New Economic Measures

Alfonsin Addresses Cabinet

PY0408003288 Buenos Aires TELAM in Spanish 2320 GMT 3 Aug 88

[Text] Buenos Aires, 3 Aug (TELAM)—Through a joint effort, today we are beginning a decisive battle against inflation, which we all know wastes the efforts of the people, constitutes the main obstacle to growth, and causes worsening social injustices.

We must all make an effort, and this is possible now because the government is doing its part.

This was stated today by President Raul Alfonsin in an address to his ministers, at the beginning of a cabinet meeting in the Olivos presidential residence, just before the government officially announced the economic measures.

This effort will be equal for all, Alfonsin said, because we will not suspend the government-business-labor bargaining talks. It will be an effort shared by the industrial and farming sectors. However, the ones who will be most affected will be the speculators, because when inflation drops, speculation disappears.

He added: We know how to control inflation, and we have done so on other occasions, but the difficulties linked with the fiscal deficit and our failure to eliminate it on time have made the effort of the Argentine people ineffective.

Today, the president said, we can do it, and we must say so to the country, because we have now resolved the most sensitive problems, the most serious ones linked to fiscal regulations.

Among the resolved problems Alfonsin mentioned are: the provincial economies whose problems were resolved through the law of co-participation. Other problems that were resolved, he said, were those of fiscal accounting, the retirement system, and the situation of state companies. Regarding the latter, he said that their accounts are balanced through the effort being made by the holding [preceding word in English] system and they will no longer require enormous funds from the government.

He said that Argentina is capable of once again making this effort equally among all sectors. He pointed out that the economic poverty, crisis, and stagnation demonstrate the disastrous effects of the foreign debt and of the drop in international prices.

He said: We will be the guarantors of the effort that we must all make, and above everything, we need the government to do its part.

He said that his presidential term will end in 500 days, adding that each one of the ministers must make an effort of austerity. Each day we must make an effort to fight the scourge of inflation, with which, without a doubt, we will definitively consolidate Argentine democracy. We will also be able to say that we have placed the economy in a launch position.

Alfonsin said that he is sure that he will find understanding among the Argentine people for this anti-inflation effort. He said it is not simply a technical problem, it is not a problem of economic growth, but rather that we must justify the effort that all sectors of society, especially the poorest, are making within the framework of democracy and freedom.

Alfonsin Meets Farming Sector

PY0308212588 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2000 GMT 3 Aug 88

[Text] Buenos Aires, 3 Aug (NA)—Today President Alfonsin turned down a request by the agricultural sector for an immediate unification of exchange rates and confirmed that agricultural exports will be paid off in accordance with the commercial rate of the dollar. The president agreed to form "a follow-up commission" to report on the effects of the latest economic measures on the rural sector.

Ernesto Figueras, secretary of agriculture, livestock, and fishing, said next year the government will settle agriculture exports "using higher rates for the dollars earned by the sector." Figueras confirmed that he would not resign because he now feels he still has "support" and he believes he "can still be useful" in the search for solutions.

The representatives of the four agricultural entities, after a meeting with Alfonsin at the Olivos residence today, said the president "concretely offered that any foreign exchange withholding in the future would be decided by Congress instead of the executive branch."

Besides Alfonsin and Figueras, Guillermo Alchouron, president of the Argentine Rural Society; Humberto Volando, president of the Argentine Agrarian Federation; Benito Legeren, representative of rural confederations; and Valentin Levisman, representative of Coninagro [Agricultural-Livestock Intercooperative Confederation], participated in the 1-hour meeting.

Alchouron confirmed the attendance of President Alfonsin at the inauguration of the Palermo Rural Fair on 13 August. Asked about the issue, Figueras said with a smile: "The great champions" of the different races "will be on parade" that day. Figueras was thus alluding to an answer about the climate of confrontation that exists in the rural sector because of conflicting views on the new economic measures.

Figueras also dismissed the possibility of an excessive increase in meat prices when he said: "I do not believe it will increase 50 percent" as reported by some of the media.

Figueras said that the agricultural sector "will not be ignored" in the economic measures and that "it will receive improvements in the short or medium term."

He explained that the work of the follow-up commission will serve to prevent "important distortions" which may affect agriculture and that the need for an agricultural law to establish regulations for the operation of this sector was reiterated during today's meeting.

He again rejected the possibility of resigning but he admitted that when one takes over a public position "the difficult thing is to remain loyal to oneself."

He added that "the simple thing would have been to leave, but, although I was tempted, I will continue because I believe I am still faithful to myself and I can still be useful."

Alchouron said that he explained to Alfonsin that "the unification of the exchange system cannot be postponed for long."

He said that he was going to convey to the Argentine Rural Society the president's idea of continuing to study the situation on the basis of the evolution of the measures and to take the appropriate action.

Volando said that he explained to the president his rejection of any measure that would "harm the agricultural sector, unless it benefits the rest of the country's economy."

Volando said that the president "disagreed with our position, and he assured us that the plan will give good results. He has confidence, but we do not. It is a matter of faith."

When Volando was asked about the comments made by Figueras that the agricultural sector "will stay on its feet" after the implementation of the measures, he ironically said that Figueras "was probably alluding to the law of physics, but the truth is that we are going to stay on our feet, albeit leaner and beaten up."

Sourrouille on Program

PY0408022588 Buenos Aires Domestic Service in Spanish 0012 GMT 4 Aug 88

[Statement by Economy Minister Juan Vital Sourrouille at news conference held by the economic team at the Economy Ministry in Buenos Aires—live; broadcast in progress]

[Text] ...for the delay to begin this conference, because as you all know we have been at a cabinet meeting at the Olivos presidential residence, and we left a little later than expected. I want to apologize again for this delay. But I am sure you are not here to listen to apologies.

Today the national government implemented a program aimed at reducing the high inflation rate in order to strengthen the purchasing power of salaries and to reactivate the productive sector.

The two essential points around which this program evolves have not changed and have now led to this latest government action: to improve our relations with the world by achieving a more active participation of the Argentine economy in the international sector and to use the world as an opportunity for our development while keeping up with our state reform.

As you know, the most serious problem we have been trying to resolve over the past few days has been the high inflation rate. Respecting those two principles that are continuously guiding the government action, today we are implementing this new program aimed at reducing the high inflation rate. As I have said before, we want to avoid the effects of inflation on incomes, and especially to maintain the purchasing power of salaries, and to reactivate the productive sector, because as you all know very well, the opportunities for growth are hampered by a high inflation rate.

The set of measures we are implementing today has to do, on the one hand, with reforms in the exchange sector. Although the Central Bank president will make some comments later on this subject, I would like to say that essentially the government reaffirms the principle of achieving a unified exchange market. In practice, the government is doing this, beginning today, in the field of exports, establishing, in general terms... [broadcast interrupted due to microwave problems, as explained by announcer] the free exchange market, except for fuels and lubricants that will continue being negotiated through the official exchange system.

Beginning tomorrow, the official exchange rate is set at 12 australes per dollar. The Central Bank will also take part in the free exchange market by auctioning a certain amount of foreign currency that will be established in advance.

Beginning in April 1989, exports and imports, which today are settled in the official market, will gradually pass over to the free exchange market.

The second part of the decisions we are implementing today has to do with the country's foreign trade policy. On the other hand, we will continue to reduce export duties. Today this reduction affects a list of some 300 products, encompassing a broad set of agricultural and livestock products, fuels, and lubricants.

On the other hand, concerning imports, a list of approximately 3,000 tariffs have been eliminated. These tariffs are today included in the Annex Two system, which demands prior consultations for imports. This measure will be in effect on 21 September 1988.

Beginning today, and until then, we are working to establish, for this list of tariffs and the ones resulting from the reduction we are carrying out in this field, a new tariff structure with much less dispersion than the current one.

We have also reduced the import tariffs on some products such as x-ray plates, pharmaceuticals and drugs, basic components for lubricants, and some animal-origin products in order to not significantly affect our domestic prices with this change of regulations.

Regarding the so-called Annex Two, of which one of the main aspects is the capital goods system, we have decided to suspend more imports of capital goods under the regulations established by Decree No 515 on tax exemption to capital goods imports. This system will be replaced by an agile and automatic capital goods importation system which envisages a 5-percent tax on goods not produced in Argentina.

The government has also decided to continue with the policy of encouraging exports; therefore we have decided to not allow any more new contracts under the special exports program. We will also make some small adjustments to the system of maximum refunds on export tariffs of the industrial promotion law in the Patagonia region.

The third chapter of the measures we are implementing today is about the main... [broadcast interrupted] a solution that will allow us to rapidly control the current inflation rate, and... [broadcast interrupted] in an agreed upon manner.

Today, we can say that we have held talks with the industrial sector, particularly with the Argentine Industrial Union [UIA], and we can say that we have effectively outlined a path to develop a price policy. We have reached an agreement which will regulate our reciprocal actions in the next 180 days. It is based on some basic principles. First, the price lists valid at 0000 on 2 August will not be modified at all until 15 August.

Second, and as of 16 August, the price lists will increase not more than 1.5 percent, effective until the end of the month. From 1 to 30 September there will possibly be a maximum increase of 3.5 percent. In all, from 2 August to 30 September the price lists will only be able to increase a maximum of 5 percent.

This measure—which we consider significant from the point of view of a drastic restraint on the inflation rate—is based on a government decision which establishes a 3-percent reduction of the surcharge on the value added tax [VAT].

This reduction on the VAT surcharge has a fiscal effect we all know. This is why, as part of the agreements we reached with the business sector, particularly with the UIA, we decided to review this system in the next 60 days because, in effect, we have observed a tax collection drop. With the new conditions of the Argentine economy, we are mutually committed to reviewing this situation.

As part of the price policy we are outlining, we must state that the profit margins [margenes de comercializacion] valid at 0000 of 2 August will remain unchanged.

The government has created a committee to control and follow this agreement with the UIA and the Argentine Chamber of Commerce. All these expressions will be translated into administrative rules tomorrow or as of tomorrow. However, it must be clear that no maximum prices have been declared in the country at this moment.

The fourth chapter of our program refers to fiscal matters and the public spending policy. The government has submitted to Congress a budget that it is willing and able to fulfill, particularly regarding the deficit—the deficit viewed as an accounting operation.

The changes introduced lately in the fiscal policy and the commitments of the various sectors of the government regarding the use of public funds allow us to say that it is possible to place the fiscal deficit under strict supervision. The finance secretary will elaborate further on this.

We can also announce an even stricter policy of fiscal administration of public works, the picture of which is not yet complete.

Another item of this program is our policy on salaries. We suppose that everybody has a responsibility in this effort to reduce inflation because this program will benefit workers as a whole. The government understands it has to maintain the system of collective bargaining between workers and managers, but the government also assumes that managers and workers will assume a serious and responsible attitude in their negotiations. In conclusion, the system of collective bargaining in effect will be maintained.

The government will introduce an adjustment for August in the public administration, which does not accept collective bargaining. This increase will to cover July's inflation and will reach an average of 25 percent in nominal terms. This increase is compatible with our short-term plan to control the deficit.

These are the most important items of the program we will implement as of today. Our purpose is to attain stability and control inflation, because we all understand that this is the basic foundation of our future growth.

We can implement this program now because we understand that conditions are right for a head-on attack on the problem, from the point of view of the accounts of the nation, as well as for the financing of our balance of payments, which is built on the idea that the country

must transfer abroad approximately half of the foreign debt interest. This situation requires continuous negotiation with our creditors to obtain the financing of the rest of our debt service.

On the basis of a solid fiscal base and foreign financing, according to the principles agreed upon with our government, we are prepared to offer a program to the country so as to sharply reduce inflation in a short time. This goal has been attained in the past but not sustained. We hope this goal can be attained this time.

This is the economic program of the government to sharply reduce inflation and promote economic growth.

Central Bank Head Comments

PY0408025488 Buenos Aires Domestic Service in Spanish 0025 GMT 4 Aug 88

[Statement by Central Bank President Jose Luis Machinea at news conference held by the economic team at the Economy Ministry in Buenos Aires—live]

[Text] Payments for exportable goods that enjoy a tax return—this tax will not change—will be settled as follows: 50 percent at the commercial exchange rate and 50 percent at the free market rate.

On the other hand, payments for all imported goods, with the exception of fuels, will be settled at the free market rate. This also goes for financial services.

Now then, this means that there will be more demand on the free market exchange. This demand, basically, will be subject to the demand on imports that will be settled through this market in addition, as we have already explained, to 50 percent of industrial exports.

This is where the Central Bank makes its fiscal profit because it buys currency on the commercial market and sells it at the free market rate.

We believe, and we always make suppositions, that this will be a difference of approximately 20 to 25 percent. In the case of a difference of 20 percent, the fiscal profit amounts to approximately 1.2 percent of the GDP, and if it is a difference of 25 percent, profits will be 1.5 percent of the GDP. I mention these examples so that you will have an idea what this measure represents from the fiscal point of view.

As I have just said, the Central Bank has to sell currency on the free market and the problem here is how to go about doing it. As of tomorrow we are going to implement a regulation, which we consider a transparent regulation, by which the Central Bank will call for a daily bid to sell the currencies through a public bid.

How much will the Central Bank sell? This will be announced the Friday of the week before the currency will be sold. Is this clear?

Starting tomorrow—because, as is public knowledge, the market has been closed for the last 3 days—the bank estimates that it will sell approximately $100 million. We will call for two bids tomorrow, one at 1215 for a maximum of $50 million, and another at 1630 for the maximum amount of $50 million. As a consequence the bank will call for two bids tomorrow for a total or maximum amount of up to $100 million. The Central Bank reserves the right to establish a base price for the bid. There may or may not be a base price. However, in tomorrow's bid—the bank is not going to sell for less than this price—the base price will be 14.40 australes. This represents a difference of 20 percent compared to the official dollar exchange rate. The dollar at the commercial exchange will cost 12 australes as of tomorrow.

The last comment I want to make regarding tomorrow's bid is that the amount is cumulative; in other words, if the Central Bank does not sell $50 million during the first call for bids, the amount left over is automatically added to the amount to be auctioned next.

Gentlemen, to make this short, these are the intervention regulations and this is how we will make a substantial profit from the fiscal point of view because, as I have already explained, it will represent—depending on the difference—a profit to the Central Bank of 1.2 or 1.5 percent of the GDP. It may be even greater depending on the difference in the market.

According to a circular issued today, we are also creating a dollar forward exchange market through banks and financial enterprises. The Central Bank will not interfere in this market. This market will operate with minimum guarantees. The idea of having this type of market is that, as a substantial portion of commercial operations are channeled through the free market, we believe it is necessary to have a forward exchange market so that those who have to buy dollars to cover their imports or sell dollars for their industrial exports will be able to do so at a determined exchange rate.

The other problem we have to deal with is the problem of excessive monetary growth, which is automatic or semiautomatic. In the past, this has given rise to important withholdings in the financial system.

The first step was to send the budget with rediscounts [presupuesto a redescuento] to Congress. We have taken some additional measures to reduce monetary growth at the Central Bank.

The National Mortgage Bank rescheduled its program of public works at the beginning of the year. This made the reduction of its obligations signed in 1987 possible.

The Central Bank will reduce its contributions to the National Mortgage Bank by 50 percent in the next 6 months. Part of the bank's financial needs will be supplied by other public banks. This means there will be a reduction of the Central Bank monetary growth because

of the reduction in contributions to the Mortgage Bank. This also means that some projects will have to be rescheduled because the bank will have fewer resources available for its projects.

Regarding the on-lendings [preceding word in English], we have announced we will suspend new on-lendings. Those on-lendings already granted with an approved schedule for initial disbursements will be negotiated and reduced by 50 percent.

Regarding the financing of exports, we have decided to maintain our current policy because we understand this policy is important at a time when Argentine exports are growing rapidly. However, we will increase the interest rate from 5 to 8 percent. This means we are putting those who obtain their financing at the Central Bank on equal terms with those exporters who finance their exports through foreign credit lines.

Some 45 days ago, the Central Bank issued a document containing dispositions to urge exporters to obtain foreign credit lines for their exports. This for its effect on the country's balance of payment or [words indistinct] international and to reduce the Central Bank rediscounts. What we will do now is increase the rediscount rate from 5 to 8 percent maintaining the credit lines open, but at the same time applying a ceiling on loans. This ceiling will be $7.5 million per company.

Those companies that require financing in excess of this ceiling will pay last year's average interest, or the last half of the year's average. This is because some of our larger exporters are large enterprises. These enterprises can obtain foreign credit lines to finance their exports. In sum, there is a restriction in the financing the Central Bank will grant, a loan ceiling of $7.5 million, and higher interest rates for companies needing financing of more than $7.5 million.

Finally, today the Central Bank has issued a new bond that will pay the same interest as the current ones, but it will be paid in a way that will create less monetary growth.

We understand that these four measures, together with the other fiscal measures, will make for better monetary control, compatible with the price agreement and the inflation prospects for next month.

Presidential Candidates on Meetings With Shultz

Carlos Menem

PY0308140888 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2315 GMT 2 Aug 88

[Text] Buenos Aires, 2 Aug (NA)—Carlos Menem, Justicialist Party [PJ] presidential candidate, has confirmed having told U.S. Secretary of State George Shultz that "if there is no economic growth and development in Argentina, it will not be possible to honor our foreign debt commitments."

After a 40-minute meeting with Shultz in the audience hall of the Sheraton Hotel in Buenos Aires, Menem said that he was "perfectly clear" in telling Shultz that the PJ "is not denying the fact of the debt, but that first wealth must be created to pay it."

In an impromptu news conference in the hotel lobby, the governor of La Rioja said that the meeting with the U.S. secretary of state was a friendly one and that they had held "a direct and open dialogue" and discussed "general issues, without a preestablished agenda."

He did not rule out the possibility of continuing talks in the United States after the 4 November elections.

"We talked about bilateral relations and general subjects. I briefly informed Shultz of our proposals for economic recovery," the governor said.

When asked whether Shultz expressed concern at the Peronist proposal to declare a moraturium on foreign debt payments, Menem answered that this issue was not discussed during the meeting.

"However, he now knows our proposal very well; they understand it, and from now on our position on this subject will be considered," he said.

When asked about what knowledge the U.S. official had of the PJ, Menem said he believes that "such an important person must know it very well."

"If there exists a democratic party, it is the PJ, notwithstanding what any ill-intentioned or poorly informed media could say of us," Menem said.

Dressed in a grey suit with a matching tie, the PJ presidential candidate said that "when the press molds public opinion based on false assertions, the press is no longer important and the journalist becomes a liar."

In response to another question, Menem categorically denied that the world is "afraid of Justicialism," but he said it "should be afraid of pseudo-democratic governments, like several that Argentina has had."

"In the past we have had administrations that governed by ignoring the majority of the people," he said.

He added that he still does not know what new economic measures will be adopted by the government; however, he said he knew that there have been rejections of it, "especially by the farming sector."

He then proposed "to wait for the implementation and results of the measures."

He said that his trip abroad had been "totally positive" but that some "important facts about Argentina are still not well known in Europe."

Regarding his meeting with Shultz, he said he told him of "Argentina's potential for producing food, raw materials, energy, and human resources," and of the fact that "we cannot explain how countries that have been devastated by wars are now leading countries."

"We, on the other hand, cannot grow because of our foreign debt, the lack of international markets, and of our domestic recession," Menem said.

Alvaro Alsogaray

PY0308211088 Buenos Aires TELAM in Spanish 1622 GMT 3 Aug 88

[Text] Buenos Aires, 3 Aug (TELAM)—Alvaro Alsogaray, presidential candidate for the Alliance of the Center-UCD [Democratic Centrist Union] has said that during his meeting with Secretary of State George Shultz today the two leaders agreed that democracy itself could be affected if the economic issue is not settled and that the ensuing discontent could affect the entire society.

Alsogaray made this comment after his meeting with the secretary of state at the Sheraton Hotel in this capital. During the meeting the progress of democracy and the Argentine economic situation were discussed.

Alsogaray said the democratic system has been consolidated in Argentina, and he added that Shultz listened more than talked. Alsogaray added that Secretary Shultz said his country wants to help our countries to consolidate democracy.

Alsogaray concluded by saying that he outlined the present Argentine situation and drew a picture of future prospects.

Peronist Deputies Meet With Iranian Officials

PY0308223588 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1415 GMT 3 Aug 88

[Text] Buenos Aires, 3 Aug (NA)—Peronist deputies of the Carlos Menen faction have received in Congress the deputy culture minister and the religious affairs secretary of Iran.

The visitors requested "Argentina to help our country, which is affected by the war with Iraq." The visitors also said "they support the Third World," because of the similarities "in the way of thinking of the Imam Khomeyni and Peron."

Yesterday the "Menemist" deputies said, through their spokesman Saturnino Aranda: "We are happy about the end of hostilities in the war with Iraq and we hope to be part of Iran's economic recovery." The spokesman added that "General Peron used to say that Third World countries know how to start a war, but they do not know how to end it."

The spokesman added: "We have to adopt a joint strategy to see that the distance between ourselves and the imperialists does not get larger. In Latin America we are moving toward a common market through which to be able to confront the North."

The spokesman said "we import butane from Libya, but there is an additional amount that we still need to import, and this could be supplied by Iran."

Deputy Minister Masjid Jami, who was accompanied by Hojjat ol-Eslam Mohsen Rabbani, said: "The Argentine economy has the ability to help Iran." The deputy minister then asked about the meaning of the Peronist struggle against "dependency." Deputy Luis Giacosa answered: "This means to cut loose all that hinders our social and political development."

Jami said "we also support the Third World. Imam Khomeyni has repeatedly said that we will not be oppressed by any imperialism."

Bolivia

Brazilian President Sarney Continues Visit

Comments on Integration

PY0308142088 La Paz La Red Panamericana in Spanish 1130 GMT 3 Aug 88

[Text] Brazilian President Jose Sarney has said that Latin American democracy is becoming increasingly stronger. The president, who spoke during a press conference, said that all the nations of the region want to strengthen freedom on the basis of the same principles so the current situation can be improved.

Sarney said he did not notice any activity in any country that might involve the Armed Forces. In the specific case of Brazil, he explained that during his 3-and-1/2-year-old administration he was able to strengthen institutions and preserve democracy.

Sarney will end his 4-day visit to Bolivia today. After a busy agenda in La Paz, President Sarney, his wife, and entourage will leave for Brasilia at 0930.

The Brazilian president said that his visit to Bolivia was fruitful because Brazilian foreign policy seeks to promote Latin American integration. He said that no integration program can be conceived without Bolivian presence, because Bolivia is the heart of the continent. He said he was ending his visit with a feeling of happiness, because it has been shown that integration is possible among these countries whose policies seek to resolve serious world problems.

Some 50 journalists are included in the Brazilian president's 100-member entourage.

Further on Agreements

PY0308153688 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 3 Aug 88

[Report by Ireneu Tamanini from La Paz]

[Text] Today President Jose Sarney ends his 4-day official visit to Bolivia. President Sarney and Victor Paz Estenssoro have signed 10 bilateral cooperation agreements.

The most important agreement foresees that, as of 1992, Brazil will import nearly 3 million cubic meters of Bolivian gas a day. The agreement on this purchase was signed by Presidents Jose Sarney and Victor Paz Estenssoro 2 days before President Sarney leaves Bolivia.

On the occasion, the two presidents signed a total of 10 agreements and a joint communique.

On drug trafficking control, the two countries commit themselves to keeping a closer watch on the borders and to increasing drug-trafficking control.

In the hydroelectric sector, Brazil commits itself to purchasing 75 percent of the energy produced by the Cachuela Esperanza Dam. This energy will cover the needs of Rondonia and Acre States. Currently, the two states generate energy with diesel oil.

Another agreement opens the Brazilian market to up to 800 Bolivian products that will be entirely exempt of customs taxes. This agreement aims at better balancing trade between the two countries, which is currently favorable to Brazil.

The two presidents also signed health agreements, committing themselves to fighting endemic diseases on their shared borders and agreements on technical cooperation, on exemption of visas for diplomatic and service passports, on aid for abandoned children, and on the construction of a road connecting Santa Cruz de la Sierra to Corumba.

The last agreement signed dealt with the purchase of Bolivian rubber. Brazil will grant a special tariff exemption to natural rubber imported from Bolivia.

Brazil

Sarney Returns; Nobrega Outlines Policy

PY0408004288 Brasilia Domestic Service in Portuguese 2200 GMT 3 Aug 88

[Excerpts] President Jose Sarney spent the afternoon resting at the Alborada Palace, his official residence, after his 3-day visit to Bolivia. He landed at the Brasilia air base at 1330, where he was welcomed by Ulysses Guimaraes, president of the Chamber of Deputies. The president stopped at the air base VIP room to talk with his cabinet ministers, especially with Finance Minister Mailson da Nobrega.

Outside the room, Chief of Civilian Household Ronaldo Costa Couto denied rumors that the government is preparing a new economic package. He said the whole idea is the work of speculators. He said the government is working on the budget and not on any economic package. [passage omitted]

Finance Minister Mailson da Nobrega said inflation will be controlled by a reduction of the public deficit better than via a new economic package.

[Begin Nobrega recording] We will fight inflation by controlling the public deficit, but this takes time and requires considerable patience. Many international incidents can disrupt the process and fuel inflation again. But we will continue to implement our policy of controlling inflation. Today we released figures on the public deficit for the first half of the year. These figures are excellent because the public deficit reached only 1.06 percent of the GDP during this period. This is within our goal of a deficit of 4 percent of the GDP for the entire year. The figure for the same period of 1987 was 1.79 percent of the GDP. [end recording]

Minister Mailson da Nobrega believes that the inflation rate this month will be below 22 percent, as opposed to 24.04 percent last month. This forecast is based on price variations in the second half of July. The minister bases his assumptions on the figures of the Foundation Institute of Economic Research of Sao Paulo and the IBGE [Brazilian Institute of Geography and Statistics]. These institutes compare prices between the 16th day of one month to the 15th day of the following month. [passage omitted]

Sarney on Cabinet Changes, Reaffirms Policy

PY0308183588 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 3 Aug 88

[Text] The names of the new ministers of culture, agrarian reform, and science and technology will be announced within the next few days. The economic policy and the economic area ministers will not be changed. President Sarney made these and other announcements today in La Paz just before leaving Bolivia.

Reporter Leonel da Matta will now give us the details.

[Da Matta] The people who bet on Mailson da Nobrega leaving the cabinet will lose their money. This statement was made by President Sarney here in La Paz today.

During a breakfast meeting with Brazilian journalists at the hotel where he is staying, the president only wanted to talk about foreign policy and evaluate his trip to Bolivia. But at the end of the meeting the president denied that shock tactics were being studied or would be implemented. He also denied any type of new measure that would change Brazil's economic policy.

The president also stressed that there will be no mass firings of public servants and that there will be no kind of regulations for prices and salaries, in accordance with what he told former Finance Minister Mario Simonsen.

President Sarney stressed his support for the policy being implemented by Ministers Mailson da Nobrega and Joao Batista de Abreu. He said the goal is to reduce the public deficit in order to bring it down to 4 percent of the GDP this year and to 2 percent in 1989, and to completely do away with the public deficit by the time Sarney hands over the government to the next president.

The president stated that during the course of this week he will name the new culture, agrarian reform, and science and technology ministers.

Sarney Reshuffles 32 Military Commands

PY0308150488 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 88 p 4

[Text] Brasilia—This past weekend President Jose Sarney and the military ministers made 32 changes of commanders and chiefs of posts in combat and logistical units. A total of 28 changes and 21 promotions have been announced.

Army Minister General Leonidas Pires Goncalves has relieved Division General Romero Leppes Queur of command of the 8th Military Region, headquartered in Belem, and appointed him Deputy Chief of the Armed Forces Chief of Staff (EMFA). The Army minister designated Army Chief of Staff General Wladimir de Azevedo as new commander of the 8th Military Region.

The other changes within the Army combat units affected brigade generals, except for recently promoted Division General Edson Alves Ney, designated deputy chief of the Army staff. The minister also designated Brigade General Justo de Morais as new commander of the 17th Jungle Infantry Brigade, headquartered in Maraba. Brigade General Alcy Pinheiro Rangel, of the engineering corps, has received his first senior officer assignment as commander of the Rio de Janeiro war arsenal, and Division General Aureliano Pinto de Moura, of the Medical Corps, has been designated new health director of the Army.

In the Air Force, Aeronautics Minister Octavio Moreira Lima has designated nine commanders, one of which is an exclusive post for a four-star general—the economy and finance secretariat—which has been given to recently promoted Lieutenant Brigadier Lelio Viana Lobo. Recently promoted Major Brigadier Carlos de Almeida Baptista has been designated chief of the Brazilian Air Force Air Defense Command.

In the Navy there has been only one promotion to squadron admiral. Admiral Jose do Cabo Teixeira de Carvalho has been designated personnel general director, while Vice Admiral Ivan da Silveira Serpa is the new commander in chief of the squadron.

150 Kg of Cocaine Seized; Bolivian Killed

PY0308181988 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 3 Aug 88

[Text] Bolivian cocaine trafficker Francisco Marin Martins was killed by the federal police early this morning in Sao Paulo. He had been identified by three men who were stopped while traveling in a car on the Dutra Highway and were found to be carrying 150 kg of pure cocaine. The drugs were valued at 450 million cruzados. The three men said that Marin Martins was the owner of the drugs. The police surrounded the hotel where the trafficker was staying. Martins came out shooting and was killed by the police.

Chile

Foreign Ministry Criticizes U.S. Committee

PY0308220888 Santiago Domestic Service in Spanish 1700 GMT 3 Aug 88

[Report by Antonio Cofre]

[Text] The Chilean Foreign Ministry has stated that the so-called U.S. Committee in Support of Free Elections is meddling in Chilean domestic affairs. This committee, which was recently created in Washington, is headed by Democratic Party Senator Edward Kennedy and Republican Senator Richard Lugar.

This was announced by Foreign Ministry Spokesman Carlos Ducci, who added that the Foreign Ministry believes that this committee is apparently unaware that a very important election will be held in Chile soon, that this election will be staged in compliance with a specific schedule, and that its legality is guaranteed by the laws and the Constitution.

The committee also includes former U.S. Presidents Gerald Ford and Jimmy Carter. The U.S. committee in support for free elections has been created at the request of some Chilean opposition politicians who have requested the support of the international community in view of the upcoming plebiscite.

U.S. Committee Viewed

PY0308220388 Santiago Domestic Service in Spanish 1030 GMT 3 Aug 88

[Commentary by Hector Chico Duran]

[Excerpt] Good morning, Gabito. You should be very happy with the decision to give 15 minutes of television time to the supporters of the yes vote and 15 minutes to supporters of the no vote. It is free, absolutely free of charge. You take the

spot [preceding word in English] and it will be broadcast free of charge. As for the time, that will be specified by regulations. Now they have television time. After so many complaints that they had no chance, well, now they have television time and they will be able to show their rainbow. How about that? Now they can sing the song of happiness and of the rainbow coalition.

This is the current position of the Popular Unity and some Christian Democratic Party members who seek the victory of the no vote.

They are the ones who use their clubs with efficiency, who use submachineguns and who brought weapons. They are the ones who tried to kill the Chilean president. They are kidnappers and the murderers of almost 100 Carabineros and a girl whom they killed with acid in Valparaiso. All of these crimes will remain hidden behind the rainbow, which has one end in Santiago and the other end in the United States, because the members of the Popular Unity and the Christian Democratic Party who call for the no vote have succeeded abroad.

A committee to support the Chilean elections has just been created. This committee is headed by Mr Kennedy, the hero of Chappaquidick, the man who let a girl drown and who quickly headed home. This man and another well-known person called Richard Lugar have created a committee to support the Chilean elections. Among the committee members are two former U.S. vice presidents, or I should say former U.S. presidents, Jimmy Carter and Gerald Ford. Robert McNamara and Cyrus Vance, who was expelled from (?Chile) because he had a very bad record and he was also the top leader of the U.S. economy, are also committee members.

There is something else within this outstanding group of U.S. Democrat committee of busybodies who want to help Chile. They say that the creation of this support group was announced by Senator Kennedy.

They have disclosed the formulas they will apply in Chile, specifying the first people that they will kill—I mean whom they will send and the people they will kill with their money. All this seems to be already scheduled.

This group is called the law group [preceding two words in English], that is, the legal group. I do not know why it is called the legal group. This human rights group will act as the committee's adviser. Despite the fact that the law group is headquartered in Washington, it is said that it is a Chilean group. [passage omitted]

FPMR: 5 Held in Buenos Aires Belong to Group

PY0308222288 Santiago Domestic Service in Spanish 1700 GMT 3 Aug 88

[Text] One of the gems of information on Chilean terrorism is that it has been established that the Manuel Rodriguez Patriotic Front [FPMR], which is the armed branch of the Communist Party, has something like an embassy in Sweden.

It has now been learned that the official publication of the FPMR in Sweden has admitted that the five Chileans arrested in Buenos Aires are members of this terrorist organization. The recognition of their membership was published in the magazine LIBERACION, which is published in Spanish in Malmo.

The communique, signed by the OL-FMR [expansion unknown-Manuel Rodriguez Front], which is the acronym used by that organization, identified "comprades" Rolando Escobar Ibanez, Hector Luis Palma Nunez, Luis Kroijevic Labra, Josefina Asenjo Zapata, and Maria Cristina Donato Avendano as being members of this organization. The OL-FMR in Sweden also requested cooperation for a campaign at Argentine embassies abroad and at the Argentine Foreign Ministry to help officials reject the extradition request submitted by the Chilean Government.

Colombia

Military's Participation in Dialogue Ruled Out

PA0308172688 Bogota Emisoras Caracol Network in Spanish 1215 GMT 3 Aug 88

[Text] Bogota—Defense Minister General Rafael Samudio Molina has stated that the participation of the Armed Forces in the national dialogue has been ruled out. The defense minister said that the Armed Forces have already issued a statement saying they would not participate in the deliberations; consequently, the Armed Forces did not to participate in the 29 July summit. He added that the matter was therefore closed.

Gomez Hurtado on Constitutional Reform Plans

PA0308174888 Bogota Emisoras Caracol Network in Spanish 1215 GMT 3 Aug 88

[Text] Medellin—Former presidential candidate Alvaro Gomez Hurtado has asserted here that the constitutional reforms proposed by the government are too diverse, lack harmony, and include many useless resolutions that will create much controversy in the national Congress.

The former presidential candidate participated in the fifth national leaders meeting and asserted that the most important thing right now is for the government to present proposals that encourage unity and not divisiveness, as does the bill sent recently to the national Congress to reform the Constitution. The bill includes a series of useless resolutions that could be settled without reforming the Constitution, Gomez said.

The national Congress and the country's leadership must recover their morals and set a moral example before the people will believe in them. This is necessary to achieve peace among Colombians, Gomez Hurtado said. He added that the achievement of peace demands other

things as well, including changing laws that are inappropriate, reorganizing the justice sector, and discarding concepts that depict Colombians as violent people, which is not true.

Londono on Gulf of Venezuela Delimitation

PA0308221388 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Aug 88

[Report by Jesus Garzon]

[Text] A new incident involving the delimitation of maritime border areas between Colombia and Venezuela occurred today. According to a Venezuelan group known as the Front for the Defense of Sovereignty and Territorial Integrity [Frente de Defensa de la Soberania e Integridad Territorial], Colombia has no right to use the Gulf of Venezuela.

The Venezuelan group claims that of the 18,500 square km of the Gulf of Venezuela, 708 km belong to Venezuela and only 40 km of the total coastal area belong to Colombia. The Colombian Government believes that the Venezuelan group's claim has no legal basis. Regarding this, Colombian Foreign Minister Julio Londono said:

[Begin Londono recording] I do not believe that they have a case, and we should not worry about statements made by Venezuelans known for their aggressive attitude toward Colombia. In Venezuela it has been said that the gulf and other maritime areas in conflict will be divided up like a (?pound cake). That is not the way it will be done. [end recording]

Foreign Minister Londono emphasized that the delimitation of the maritime areas will be done according to international law.

FARC Ambush Leaves Four Dead, Three Wounded

PA0308222388 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Aug 88

[Report by Alvaro Ayala]

[Text] The Defense Ministry has reported that airborne patrols have left Villavicencio for Caqueta Department to find the FARC column that ambushed a military convoy and killed an official and three soldiers. Defense Ministry spokesman Colonel Eduardo Arevalo said:

[Begin Arevalo recording] A criminal FARC cell attacked a 12th Army Brigade patrol that was performing a search and control operation and murdered 2d Corporal Jose Pajoy Pardo and soldiers Carlos Ebert Unguia, Luis Alberto Luengas Ospines, and Alfonso Lopez Aguilar. [end recording]

A sublieutenant and 2 soldiers were also wounded in the ambush. They are currently undergoing treatment at a hospital in Florencia.

Paraguay

Government Reportedly To Prevent Church Protest

PY0308155288 Asuncion HOY in Spanish 3 Aug 88 p 6

[Text] According to leaks yesterday in circles close to the government, it would seem that the government will prevent the march that has been organized for 6 August by the local Catholic Church to protest the expulsion 9 days ago of the Jesuit priest Juan Antonio de la Vega.

According to these leaks, the government could possibly mount an operation to rigorously control strategic points in our capital, to carry out dragnets, and to demand identity documents.

Juan Antonio de la Vega was expelled from the country, accused of extolling violence and inciting class struggles during a recent conference on liberation theology. The conference was organized by students of the Philosophy College of the National University.

As a protest, the clergy of the archdiocese has organized a march on 6 August in which approximately 30,000 Catholics will participate. The march will be from the San Roque Church to the Metropolitan Cathedral to demand the return of De la Vega.

Student Leaders Reportedly Leaves Country

PY0308154488 Asuncion HOY in Spanish 3 Aug 88 p 6

[Text] Strange circumstances surround the departure from the country of Hugo Yubi, president of the Student Center of the Philosophy College of the National University. The departure occurred yesterday at approximately 1730 on a regular Paraguayan Airlines (LAP) flight. According to the passanger list the student was accompanied by a relative (seats 31 and 32).

Relatives of Yubi have flatly denied his departure, indicating that he has been out of the country for about 1 week, "most probably visiting Brazil to purchase machinery." However, friends and other relatives of the student leader have stated that during the past few days Yubi had been saying good-bye to them because he was about to travel abroad due to the police pressure on him and his family.

These contradictions were made evident when an aunt of Yubi was seen at the airport in the company of Yubi's sister, Claudia. At 1730 they stated that they were at the airport to meet some relatives, but the day's last flight into Asuncion was at 1300. When the two ladies noted the presence of the media, they departed in a hurry.

Yubi was detained some weeks ago with Jesuit priest Juan Antonio de la Vega, who has been expelled from the country, because they organized a panel that debated liberation theology. According to government spokesmen, the priest also incited violence and class struggles, but up to now no evidence has been submitted to prove this.

Peru

Further Reportage on Abu Nidal Terrorists

Plans of U.S. Embassy

PY0308182388 Lima Domestic Service in Spanish 1200 GMT 3 Aug 88

[Text] The Palestinian terrorists recently arrested by the DIRCOTE [Antiterrorist Directorate] will very shortly be expelled from the country for having violated the immigration law, according to a police spokesman. Ahmad 'Asad Muhammad, Muhammad 'Abd al-Rahman, and Hocine Buzidi are apparently wanted by three European and one Middle Eastern country for having carried out several terrorist attacks.

When DIRCOTE agents arrested the terrorists, they found they had plans of the U.S. Embassy in Lima. The discovery of these plans, and other intelligence they have gathered, make the police believe that the Palestinian terrorists were planning to attack the U.S. Embassy.

'May Be Extradited'

PY0308230888 Lima Television Peruana in Spanish 0100 GMT 3 Aug 88

[Text] The three Palestinian members of the terrorist organization Abu Nidal will be expelled from the country in the next few hours. Foreign Minister Luis Gonzales Posada confirmed the infiltration of foreign terrorists into Peru.

The government will decide in the next few hours whether it will expel the three Palestinian Abu Nidal terrorists. Following their arrest on 30 July in the Miraflores neighborhood, the three terrorists were linked to the Shining Path.

A police source said the dossier on the terrorists has already been sent to the courts. The source added that Decree Law No 4145, Article 6, authorizes the court to automatically expel foreigners caught red-handed while involved in criminal activities.

According to the source, these terrorists may be extradited, via commercial flight, to one of the three Arab countries in which the terrorists were born and with which Peru has good diplomatic relations.

The Abu Nidal group has contacted the Peruvian terrorist organization Shining Path to recruit fanatic elements to launch a campaign of attacks in the country.

The group is not part of the PLO. It acts independently and its leader has been tried and convicted for high treason by the PLO. The Abu Nidal group is responsible for several killings in Europe, particularly PLO representatives and officials, and Palestinian citizens. Their main objective here was to attack some key targets of the PLO, foreign delegations, and high-ranking officials, to hurt the Peruvian image and the relations Peru has maintained with the Palestinian people since 1979.

The Palestinian terrorists were identified as Hocine Buzidi, or 'Ali Muhammad 'Ali 'Isa al-Batmi, alias Hamid, Ahmad 'Asad Muhammad, or Salim 'Abd al-'Asiz, alias Salim, and (Muhammad Abel Obeb Sagad Habib), or (Mu Dasan Hasan).

They are currently under custody in DIRCOTE jails awaiting the expulsion order, which is expected at any time.

Garcia Speaks on Nation's 'Difficulties'

PY0308231788 Lima Television Peruana in Spanish 0100 GMT 3 Aug 88

[Speech by President Alan Garcia on the 9th anniversary of APRA founder Raul Haya de la Torre's death on 2 August in Lima—recorded; monitored in progress]

[Excerpts] ...After only 70 years of existence, and 6 years after Haya de la Torre's death, the APRA had the chance to face the real challenge of being in office. It is one thing to talk as an opposition member and not to have responsibilities. It is a very different thing to have the obligation to govern and administer the country, always knowing that the spirit, the heart, and the bureaucracy cannot be changed overnight.

Despite all these difficulties, and the fact that terrorist violence had already begun; despite the impoverished situation of Peru, which had been ransacked; despite economic disorder; and despite the hardness of many hearts, we knew the APRA had to run the risks of becoming responsible for the government of the country. We knew that the APRA had to bear its cross, all the while knowing that the weight of this cross was often a result of the irresponsibility of many. We knew the APRA had to prove that its mission was not merely to point out great objectives from a distance; that the APRA was not created merely to spread historical theories, but to write the national history from the seat of government, where the real history of the country is written.

Here we are now, in our 3d year in office. During the first 2 years we were always greeted with enthusiastic smiles and praise. In this 3d year, however, in which several difficulties must be overcome, we are faced with harsh criticism from many who previously had nothing but praise to bestow on this government. This fact, however, should not affect us because it is not important. These difficulties are part of the responsibilities of those who must govern the country and are hardships governors must experience along their path.

It does not matter if it is impossible to implement all projects at once. It does not matter if we have to face many problems. We know these are trying times.

Now is the time to test the hearts of those who follow us. It is the time to check to see if there are any Judases among us. It is the time to find out whether or not there are people in our ranks who, in the face of difficulties, use their voices to spread destruction and hopelessnesss.

It is true that Peru is facing great difficulties. Peru has had and will continue to have difficulties for many years. [passage omitted]

It is true that we have had to face all these difficulties and that we have been misunderstood by many. More trying than all that, however, was having to face the elusive, fearful, and cowardly methods of those who claimed that everything was lost.

This is not true. Our party and its doctrine have virtues that are much more important than its defects. Our church tells us to pray not to look at our sins, but at the faith. So it is with our party. Do not look at our sins, but at the historical conviction of the people and this country's leaders. [applause] [passage omitted]

Our party should overcome many difficulties, and it will overcome these and many other difficulties. Each difficulty, however, will show us who are the cowardly, the frightened, and the Judases who choose to spread easy and irresponsible criticism instead of holding a responsible position. [passage omitted]

The fact that Peru has been facing difficulties does not mean that Peru is doomed to historical failure. This will not happen.

We have assumed the government in the worst period of our republican life. At this time, we could have evaded this responsibility and allowed others to be sapped by the difficulties of governing the country under such a crisis.

We decided, however, that it was our turn to govern the country, and thus we decided to run the risk of losing popularity and smiles, to run the risk of being abandoned by those who surrounded us. We decided that the risks did not matter. We decided that someone had to do something for Peru, and we realised that it was our turn to do it.

For 70 years we announced that we would save Peru. How could we now ignore the needs of Peru? How could we overlook its needs by saying that our country was entirely rotten? How could we say that all sectors of national life were rotten? We know there is still affection, love, devotion, and honesty in Peru. We must see not only what is evil but also what is good. This is what matters in life. [appluse] [passage omitted]

We cannot succumb to the temptation of saying that everything is lost. Why should we insult the mothers of our people? Why should we thus insult the many APRA members and those who do not belong to the party who believe in Peru?

The best way to keep the nation's high moral standards is to allow all citizens to take part in national life. Only in this way will there be real control of the moral standards. Only in this way will the virtues of Peruvian men and women be better appraised; more people will be ready to uphold their ideals; and we will regard all Peruvians—APRA members or not—as brothers. We must not forget, however, that there may be opportunists, selfish and mistaken people within our party, as in any other organization.

It is our belief, however, that no APRA member has been tempted to occupy government positions just to fill up their pockets or to profit by national wealth. If this has occurred, however, we, APRA members and Peruvians in general, are obligated to punish these people severely for having betrayed the nation and the party. [applause]

The obligation of preserving the high moral standards of our people, however, is not the obligation of the APRA members alone. We are here to serve Peru. We must be the least in Peru because our obligation is to serve the country. This is the profound Christian mission of our party. We are here to serve the country. We are here to transform, to create, to revolutionize, but always through service. We are not here simply to occupy the leading positions. [passage omitted]

It would be wrong to say that we, ourselves, must judge our own deeds. If we did so, we would always be busy in playing the leading roles. We are here to serve. Let the others decide if we serve the country in accordance with the high moral standards we have set for the country and for ourselves. [passage omitted]

From the tomb of Haya de la Torre we ask the opposition and all other sectors of our society who do not share our political principles to help us in the everlasting mission of moralizing the country and of eliminating from the national scenario all that is bad or negative. [passage omitted]

I am aware that we have moral problems. I know that the people say there is immorality in the country; that there are great and small immoralities in the economic sector; that it is immoral to see an APRA public employee fail to dedicate all 24 hours of his day to the service of the people; that it is immoral to feel too important and to dedicate one's life to social events, to embassy cocktails [preceding word in English] where one meets all the important people one is interested in meeting. I know this is also immoral because it is a way of throwing away the time we should use to fulfill our obligations as APRA members.

This is the first time the APRA has elected a president. We were given 5 years in office and every day that goes by makes me feel that I have 1 day less to govern the country. I wonder, however, if the innumerable public employees—APRA members or not—also use every minute of their time in favor of the people, if they take every opportunity to approach the destitute, to resolve the problems of the poor, to make up for the deficiencies of our society. If they fail to do so, they are being immoral. [passage omitted]

To dispute high positions is also immoral. It is also immoral to submit Haya de la Torre's party to disputes on who will be elected, on who will replace whom. We know that this is also immoral. [passage omitted]

Foreign Minister Announces Italian Loan

PY0308162088 Lima Television Peruana in Spanish 0100 GMT 3 Aug 88

[Text] The Italian Government will grant Peru a credit of $330 million to be paid in 20 years with 10 years grace and at a 1.5-percent interest rate.

This announcement was made by Foreign Minister Luis Gonzales Posada after opening the third African Fund meeting. He also said that the Italian deputy minister of foreign relations will arrive in the next few days to sign the agreement. He said:

[Begin Gonzalez recording] I believe that this is very good news because it shows that Peru is not isolated and that it continues to receive very solid international support. This weekend Italian Deputy Minister of Foreign Relations Agnelli will arrive to sign the protocol of understanding for financial aid of approximately $330 million. Of this amount, $122 million will be used to help finance the electric train; the remainder will be used to finance important projects such as the (Mages) project, dairy plants, fruit export programs, improvement of running water, electricity, among others.

Those are very important projects, and we are getting $330 million for them. The loan is given under exceptional conditions for our country. The loan will be paid in 20 years with 10 years grace. In other words, for a full decade we will not have to begin repaying this loan. Furthermore, the loan is at only 1.5-percent interest. This is what we were able to get from Italy. It is great news, which shows that Peru is internationally accepted. Because our government is working hard, we are getting investments, loans, aid. This is something all Peruvians should hear with great satisfaction.

I would also like to announce that the Foreign Ministry has coordinated with [words indistinct] to send a delegation of businessmen and exporters to Asia to obtain resources and investments, to study that market, and to bring money and investments to Peru. [end recording]

3 Wounded in 3 Bomb Attacks in Lima

PY0308222588 Madrid EFE in Spanish 0413 GMT 3 Aug 88

[Text] Lima, 2 Aug (EFE)—Police source reported that three bomb attacks occurred in Lima today. Three people were injured in the attacks. Two of the attacks occurred in the San Isidro district: one in the offices of a state organization, the other in a mining company. The other bomb went off in a printing shop.

According to press reports, slogans with MRTA acronyms were found near the mining company.

The attacks damaged the fronts of the buildings. The attack against the state organization office injured three people who were in a car at the time of the explosion.

On 27 and 28 July, Shining Path terrorists blew up over 20 electric towers, leaving Lima and other cities without electricity.

The electricity problems continue in several Lima districts. The state power company is rationing electricity until the towers are repaired.

Uruguay

Sanguinetti Meets With FRG Economics Minister

LD0408093688 Hamburg DPA in German 0908 GMT 4 Aug 88

[Text] Montevideo (DPA/VWD)—Federal Economics Minister Martin Bangemann has again warned against protectionist trade policy. Speaking to the press in Montevideo last night, Bangemann spoke in favor of enabling debtor states to gain better access to world markets. At the same time he called on the debtor countries to not limit trade and to make possible the import of foreign goods in order "to increase the competitiveness of your own industries." The minister, who plans to travel on to Brazil today, earlier met Uruguayan President Julio Maria Sanguinetti and Economics Minister Ricardo Zervino for an exchange of views.

Suriname

Identity of French Soldier Killed Confirmed

FL0308203088 Paramaribo International Service in English 1730 GMT 3 Aug 88

[Text] The French mercenary killed during a clash with the national Army and a group of terrorits was in active military service in the French Army. This could be substantiated from documents which were found on the dead body of the mercenary. Among the documents are a military I.D. and a passport which proves that the soldier entered the French Army 4 years ago and he was still in service up to the time

of his death. The documents and the quantity of ammunition and explosives of French make were displayed yesterday during a meeting of the military authorities and members of the national Army.

The 22-year old (?professional) soldier, Alexis Drezaton, carried with him a letter of guarantee from Brunswijk to operate together with [words indistinct] in the Patamacca area. During the meeting, [words indistinct] said the Brunswijk yesterday carried out two new attacks on the [words indistinct] soldiers. During the attacks, which took place on the east-west road white mercenaries [words indistinct].

Also, an unidentified aircraft has been circling over the military post at Patamacca and the Army barracks at Albina in the (?east) of the country.

France Condemnation Sought

FL0308201788 Paramaribo International Service in English 1730 GMT 3 Aug 88

[Text] The military authority has requested the government to take action that would lead to the condemnation of France both nationally and internationally.

France's involvement with terrorism has once again been clearly proven. This was stated yesterday by chief of staff of the national Army, Ivan Graanoogst, during the meeting with members of the national Army. He said that Suriname will be able to solve this problem on its own if the terrorist gang led by Brunswijk does not have the support of Holland and France. Commander Graanoogst noted that the French did not show good neighborliness despite its promises of cooperation with Suriname.

The French authorities have among others time and again refused to patrol the border between French Guiana and Suriname jointly with the national Army of Suriname. Last year France even threatened to retaliate the Surinamese soldiers (?who) crossed the border with French Guiana during actions against the terrorist gang. [sentence as heard]

Graanoogst further said that weapons and supplies are being transported to French territory to the terrorists who are allowed to move freely in French Guiana. The commander said this is a serious question and called for a massive denouncement of the provocative attitude of France. The military authority has presented the note to President Shankar in which proposals are made to solve the conflict in east Suriname.

Army Suspends Threat To Down Unidentified Plane

FL0308203988 Paramaribo International Service in English 1730 GMT 3 Aug 88

[Text] The national Army will for the time being suspend actions against the unidentified aircraft which is carrying out illegal flights in Surinamese airspace. The military authority says the Army wants to give the government the chance to settle this matter at the diplomatic level.

Yesterday morning the military authority sent a telegram to President Shankar informing him about the Army's intention to shoot down the aircraft on its next violation of the Surinamese airspace. The Army says it would be forced to take this step since the French Government has not reacted on Surinamese request in helping to identify the aircraft. The president has instructed the Army to suspend actions against the aircraft since the diplomatic discussions with the French authorities have not yet been concluded.